

MEIDENSHA CORPORATION
General Terms and Conditions of Purchase

1. DEFINITIONS

- (1) "Airmail" shall mean the registered airmail or/and internationally recognized courier service.
- (2) "Buyer" shall mean Meidensha Corporation, including its agents.
- (3) "Buyer's Data" shall mean any kind of business, commercial or technical information and data including, but not limited to, the Buyer's Drawings, the Customer's information or any personal information of the Buyer's personnel, disclosed by the Buyer to the Seller, irrespective of the form of presentation or communication, including but not limited to written, graphic or electromagnetic form.
- (4) "Buyer's Drawings" shall mean drawings, specifications, technical materials, film, magnetic storage media, or other documents prepared or owned by the Buyer or the Customer.
- (5) "Buyer's Products" shall mean the product(s) manufactured by the Buyer using the Goods.
- (6) "Contract" shall mean the agreement between the Buyer and the Seller for the procurement of the Goods or the commission of the Services under the terms and conditions stipulated in the documents set forth in Article 2(3).
- (7) "Contract Amount" shall mean the total amount stipulated in the Purchase Order.
- (8) "Customer" shall mean the customer including Buyer's affiliate company who purchased the Goods, the Buyer's Products or the Service(s) directly or indirectly from the Buyer, and/or the end user of the Goods or the Buyer's Products.
- (9) "Defect(ive)" shall mean (i) the defects in title, design, material and workmanship (ii) failing to conform to all descriptions, specifications or any other documents including Buyer's Drawings (iii) being reused, rebuilt or refurbished without the written approval of the Buyer (iv) failing to fit for the purposes for which the Goods, the Services, and/or documents and data stipulated in Article 3 are being provided or which are indicated expressly or impliedly by the Buyer to the Seller or known to the Seller.
- (10) "Goods" shall mean any equipment, parts, raw materials, machinery etc. to be supplied by the Seller under the Purchase Order.
- (11) "Purchase Order" shall mean each individual order placed to the Seller by the Buyer.
- (12) "Rental Items" shall mean machinery, appliances, jigs, tools, molds, other equipment, and workplaces that are lent by the Buyer to the Seller to implement the performance of the Contract.
- (13) "Seller" shall mean any person, firm or corporation with whom the Purchase Order is or is to be placed by the Buyer.
- (14) "Service(s)" shall mean any service(s), including but not limited to inspection, test operation, and supervision service for fabrication, installation or commissioning to be performed by the Seller under the Purchase Order.
- (15) "Sub-contractors" shall mean the third parties to whom the Seller consigns or subcontracts production of the Goods or fulfillment of the Services (including cases where any third party which was originally consigned or subcontracted by the Seller consigns or subcontracts to other third parties).
- (16) "Supplied Items" shall mean materials, jigs, tools, etc. that are required for the production of the Goods or the fulfillment of the Services which are provided by the Buyer to the Seller to implement the performance of the Contract.
- (17) "Time for Commencement" shall mean the date the Seller shall commence the Services specified by the Purchase Order.
- (18) "Time for Completion" shall mean the date on which the Seller shall complete the Services specified by the Purchase Order.
- (19) "Time of Delivery" shall mean the date on which the Goods specified by the Purchase Order is to be delivered by the Seller to the place designated by the Buyer.

2. GENERAL

- (1) The Contract shall be concluded when the Seller dispatches a written acceptance of the Purchase Order. If the Seller fails to notify the Buyer of its refusal to accept the Purchase Order in writing within seven (7) days after receiving the Purchase Order, the Contract shall be deemed to be concluded.
- (2) This General Terms and Conditions contained herein shall apply to the Contract.
- (3) In the event of any ambiguity or conflict between the contract documents listed below, the order of precedence shall be the order in which the contract documents are listed below.
- i the Purchase Order (excluding the documents (iv) and (v) below)
 - ii special conditions as agreed between the parties (if any)
 - iii this General Terms and Conditions
 - iv specifications, drawings, or any other documents agreed between the Buyer and the Seller in

relation to the Contract
v the Buyer's Drawings

- (4) In any event, all additional or varied terms proposed by the Seller shall not be part of the Contract unless explicitly agreed to in writing by the Buyer. Notwithstanding any provisions to the contrary, any statement by the Seller in the related documents, including specifications or quotations, that exclude or limit Seller's liability under the Purchase Order, special conditions and/or this General Terms and Conditions shall not be valid and enforceable against the Buyer in any manner.
- (5) All communications, documents and execution of services herein shall be in English, unless otherwise specifically designated.
- (6) The Seller and the Buyer shall execute all business transactions of the Contract on a fair and faithful manner based on mutual trust and goodwill.
- (7) The trade terms to be used in the Purchase Order shall be governed and construed by the provisions of Incoterms 2020, ICC Publication No.723, unless otherwise specifically stipulated.

3. DRAWINGS, REPORTS AND MANUALS

- (1) The Seller shall furnish all documents and data including, but not limited to, specifications, drawings, inspection reports required by the Buyer in accordance with the Buyer's instructions. If the Seller fails to furnish the documents and data within the time specified in the Purchase Order, the Buyer may, at its option, cancel the Purchase Order or claim 1% of the Contract Amount per week.
- (2) The Buyer shall examine such documents and data furnished and shall return them with comments, request for revision, or approval, if necessary. Approval by the Buyer of such documents and data shall in no way relieve the Seller of any of its obligation nor imply that the Buyer will assume responsibility for the accuracy of such documents. If the Buyer detects the Defect in such documents and data, the Seller, upon the Buyer's request, shall correct it, and shall pay to the Buyer 1% of the Contract Amount per week. In such case, Article 5 shall not be applied.

4. PACKING AND DELIVERY

- (1) The Seller shall properly pack in airworthy or seaworthy condition and mark all the Goods for export shipment strictly in accordance with the Buyer's packing and marking instructions and, with or without the Buyer's instructions, pack all the Goods appropriately to protect it from any possible damage including soiling and moisture during transport and/or storage. The Seller shall be liable for any loss or damage to the Goods resulting from defective or improper packing.
- (2) The Seller shall deliver the Goods to the designated place by the Time of Delivery without delay. The

Seller shall complete the Service by the Time for Completion. The Time of Delivery and the Time for Completion are the essence of the Contract.

- (3) The Seller shall not deliver the Goods before the Time of Delivery or commence the Service before the Time for Commencement unless agreed in writing by the Buyer.
- (4) If the Seller completes the Service before the Time for Completion, the Seller shall notify the Buyer in writing and submit all of the documents stipulated in Article 11(1) iv subject to Buyer's approval therein; provided, however, that the Buyer has the sole discretion whether to accept such early completion.
- (5) In case the Seller foresees that it cannot adhere to the stipulated Time of Delivery or Time for Completion, the Seller shall promptly notify the Buyer in writing with the reason of delay. In such case, the Seller shall make its best efforts to avoid and mitigate the delays in delivery or performance and the Seller shall follow the instructions given by the Buyer for the purpose of avoiding and mitigating the delays. Any and all costs incurred to avoid and mitigate delays in delivery or performance, including the costs incurred by the Buyer, shall be borne by the Seller.
- (6) For the wood packing, the Seller shall use the wood packaging material treatment certified in accordance with the International Standards For Phytosanitary Measures (ISPM) No. 15. In the event that any import quarantine procedures are required at the ports of entry, the cost for the inspection shall be borne by the Seller. In the event the wood packaging materials are judged as non-compliance with ISPM or other terms and conditions required at the port of entry, it will be disinfested, incinerated or returned at the Buyer's choice and at the Seller's cost.
- (7) The Seller shall ensure that all the Goods are marked in accordance with the Contract. At each delivery of the Goods, the Seller shall specify Purchase Order number, product name, and quantity of the product on the shipping invoice, packing list, and Bill of Lading, and provide it to the Buyer immediately after dispatch of the Goods. In addition, any other documents specified in the Purchase Order and all instructions, warnings, safety data and other data necessary for the use of the Goods shall also be provided at the time of the delivery.

5. LIQUIDATED DAMAGES

- (1) In the event that the Seller cannot deliver the Goods on the Time of Delivery or complete the Services on the Time for Completion of the Contract without prior written consent of the Buyer, the Buyer is entitled to claim a liquidated damages to the Seller of 1% of the Contract Amount per week delayed up to a maximum of 15% of the Contract Amount of

each delivery or Service, without prior notice of default to the Seller.

- (2) Notwithstanding the section (1) above, if the amount of the Buyer's actual damages caused by the delay of the delivery or the completion is larger than the amount of the liquidated damages imposed on the Seller in accordance with the section (1) above, the Buyer is entitled to claim to the Seller for compensation of the actual damages.
- (3) The liquidated damages in section (1) or the compensation in section (2) shall be deducted from the Contract Amount.

6. TITLE AND RISK OF LOSS

- (1) The risk of loss with respect to the Goods and/or Services shall pass to the Buyer when the Goods are delivered at the delivery point and/or the Services are completed as specified in the Purchase Order.
- (2) The title of the Goods shall pass to the Buyer when the Goods and/or the Services pass, if any, the inspection or are accepted by the Buyer in accordance with the terms and conditions stipulated in Article 7.

7. INSPECTION & ACCEPTANCE

- (1) The Buyer has the right to inspect the Goods and/or Services or witness/monitor the inspection of the Goods and/or Services at the Seller's business premises. The schedule of inspection at the Seller's business premises shall be discussed in advance.
- (2) Upon receipt of the Goods from the Seller by the Buyer or upon completion of the Services by the Seller, the Buyer shall perform acceptance inspection at the Buyer's premises or other places determined by the Buyer without delay. The inspection shall be performed in accordance with the test procedures and criteria determined by the Buyer.

8. DEFECTIVE OR EXCESSIVE NUMBER OF GOODS

- (1) In the event that Defective or excessive number of the Goods are found as the result of the inspection under the Article 7, the Buyer shall notify the Seller of the matter in writing, and the Seller shall take back the Goods within the specified period designated by the Buyer at the Seller's own expense, including the transportation cost for taking back, and on the Seller's own responsibility, unless the Buyer agrees to accept or purchase such Defective or excessive number of the Goods.
- (2) In the event that the Seller does not take back the Defective or the excessive number of the Goods within the specified period designated by the Buyer, the Buyer may return them to the Seller, or dispose them. The cost of returning or disposing of the Defective or excessive number of the Goods, including the transportation cost, shall be borne by

the Seller. The Buyer shall not be in any way responsible or liable for the damages incurred by the Seller with regard to the disposal of the Defective or excessive number of the Goods.

- (3) In the event that all or a part of the Defective or the excessive number of Goods in the Buyer's custody are lost, damaged, degraded, or caused any costs (including, but not limited to the cost of storage) or damages to the Buyer, any and all such costs or damages shall be borne by the Seller unless such costs or damages are caused by the Buyer's willful misconduct or gross negligence.
- (4) The provisions of the preceding section (1), (2) and (3) shall apply in all cases, regardless of what trade terms are adopted in the Contract; provided, however, that if the Seller proves that the cause of the Defective or excessive number of the Goods is solely due to the Buyer, the burden of costs or/and damages stipulated section (1), (2) and (3) shall be determined after discussion in good faith between the Buyer and the Seller.

9. SHORTAGE OR REPLACEMENT OF DEFECTIVE GOODS

- (1) In the event that any shortage or any Defective Goods and/or Services are found as a result of the inspection under the Article 7, the Seller shall, in accordance with the instruction of the Buyer, deliver whatever is necessary to appropriate the shortage, deliver the replacement of the Defective Goods, or re-perform the Services immediately at the Seller's cost.
- (2) The provisions of the preceding section (1) shall apply in all cases, regardless of what trade terms are adopted in the Contract; provided, however, that if the Seller proves that the cause of such shortage or Defective is solely due to the Buyer, the burden of costs stipulated preceding section (1) shall be determined after discussion in good faith between the Buyer and the Seller.
- (3) If the Buyer determines that the Defect of the Goods and/or the Services is so serious that it cause or may cause significance impact on the operation of the Buyer, or the Seller cannot deliver the replacement Goods or re-perform the Services within the time specified by the Buyer, the Buyer may terminate the whole or part of the Contract. In such cases of termination by the Buyer, the Buyer reserves the right to be paid by the Seller damages and interest in accordance with loss.

10. SPECIAL ACCEPTANCE

- (1) With regard to the Goods and/or Services determined to be Defective by the inspection under the Article 7 above, the Buyer may accept the Defective Goods and/or Services as "special acceptance", if the Buyer regards the Defect of the Goods and/or Services to be trivial or is usable if the Buyer devises some means to rectify the Defect,

and the Seller cannot replace, make modifications, or repairing the Goods and/or Services in time. In the above case, the Seller shall bear the cost for rectifying the Defect of the Goods and/or Services by the Buyer, or the Contract Amount shall be reduced.

- (2) The amount of reduction of Contract Amount or the cost for modification or repairing shall be determined by mutual agreement.

11. PAYMENT

- (1) The Buyer shall pay for the Goods and/or Services when all the conditions from (i) to (iv) below are satisfied. If any one or more of the conditions from (i) to (iv) below are not satisfied, the Buyer may withhold the payment.
- i The Buyer has received the correct original invoices from the Seller.
 - ii All the documents and data including, but not limited to, specifications, drawings, inspection reports required in the Purchase Order are submitted to and approved by the Buyer.
 - iii In case the Goods are included in the Contract, the Goods have passed the Buyer's inspection under the Article 7.
 - iv In case the Services are included in the Contract, the Buyer has received and approved the Seller's report stating description of the Services, actual working hours for the Services and any other matter specified in the Contract and evidence documents such as receipt regarding the actual costs incurred in connection with the performance of such Services.
- (2) Unless otherwise specifically agreed, payment from the Buyer shall be made by means of telegraphic transfer remittance through a bank.

12. SET-OFF

In cases where either the Seller or the Buyer has receivables against the other party, the party holding such receivables may set off such receivables against the corresponding amount of any obligation owed to the other party.

13. WARRANTY

- (1) The Seller warrants that the Seller has good and marketable title to the Goods and has conveyed such title to the Buyer free from any encumbrances, liens, security interests or other Defects in title.
- (2) The Seller warrants that the Goods and/or Services are free from Defects for a period designated in the Purchase Order, or twelve (12) months from the date on which the Goods and/or Services are put into service by the Customer, whichever the longer.
- (3) The Seller warrants that the Goods and/or Services do not infringe upon any third party's patent, trademark, design, copyright or other intellectual property rights. The Seller shall notify the Buyer

promptly upon the detection that the infringement or alleged infringement of any patent rights, registered or unregistered design, copyright trademark or name or any other intellectual property rights relating to the Goods and/or Services to be supplied under the Purchase Order. In case the Buyer and/or the Customer receives a claim or is filed a legal proceeding from any third party regarding the Goods and/or Services for such infringement, the Buyer will promptly notify the Seller, and the Seller shall, upon the Buyer's request, participate in such proceeding in accordance with applicable laws and cooperate with the Buyer. The Seller agrees to indemnify and hold the Buyer harmless from and against any loss, liability, damage or claim including but not limited to lawyers' fees and any other legal costs incurred by the Buyer and/or the Customer as a result of the infringement or alleged infringement of any rights, design or any other intellectual property rights relating to the Goods and/or Services to be supplied under the Purchase Order in accordance with the Article 14.

- (4) In case that any breach of the foregoing warranty is detected, the Seller shall, at the Buyer's option, repair, replace, reperform, or make such Goods and/or Services to be non-infringing at the Seller's own cost and expense within the time specified by the Buyer. If such breach is not cured within the time thereof, the Buyer may request a reduction of the Contract Amount in proportion to the degree of breach.
- (5) The Buyer reserves the right to make a claim against the Seller for damage due to the negligent acts of the Seller or Defects in the Goods and/or Services, even after the warranty period.

14. INDEMNITY

- (1) The Seller shall defend, indemnify and hold harmless the Buyer and/or the Customer from any loss, damages, penalties, costs and expenses to which the Buyer and/or the Customer may become liable, including but not limited to compensation for damages payable to a third party and any expense (including lawyers' fees) incurred for the defense and settlement of the dispute with such a third party as a result of the Seller's breach of the warranty stipulated in Article 13, or as a result of negligence or omission of the Seller, its agents, employees, or Sub-contractors, arising from or in relation to the execution of this General Terms and Conditions and the Contract, or as a result of strict liability such as product liability.
- (2) The Seller's foregoing indemnity includes, but not limited to, any loss, damages, penalties, costs, expenses or claims, whether direct or indirect, suffered by or brought against the Buyer, arising from the Goods supplied or any Services carried out by the Seller under the Purchase Order and this General Terms and Conditions, whether in respect

of injuries or the death of any person, including employees of the Seller, or of any damages to any property.

- (3) The Seller shall compensate the Buyer for any costs incurred by the Buyer or the Customer due to the Defect and/or the implementing of measures, etc., which the Buyer or the Customer deem to be required in order to prevent the occurrence of damage caused by a Defect in the Goods or breach of warranty. Provided however, this does not apply where such Defect occurs due to a reason attributable to the Buyer.

15. INVESTIGATION OF THE CAUSE

- (1) In the event where damages due to, or likely to be due to Defects in the Goods and/or Services occur or may occur to the Customer or any third party, the Seller shall, following the instruction of the Buyer, investigate the cause of such damage. If the Seller fails to start the investigation within a time period designated by the Buyer, the Buyer may, by itself or by using a third party, investigate the cause of such damage at the cost and expense of the Seller. In such case, the warranty stipulated in Article 13 or any other conditions in this General Terms and Conditions shall still be applied to the Goods and/or Services investigated by the Buyer or a third party designated by the Buyer. Notwithstanding the above, if the Goods and/or Services are found to be not Defective as a result of the investigation, the cost and expense of the investigation shall be borne by the Buyer.
- (2) If the Seller does not conduct any investigation of the cause of the damage described in the previous section without any reasonable reason, the damages thereof shall be deemed to be due to the Seller's breach of the warranty and the Seller shall be responsible for such damages and the cost of investigating the cause by the Buyer.

16. STORAGE OF DOCUMENTS

- (1) In addition to Article 3, the Seller shall retain documents concerning the Goods and/or Services for at least fifteen (15) years from the delivery of the Goods and/or completion of Services.
- (2) The Seller shall, upon the Buyer's request, immediately allow the Buyer to consult or copy the documents described in the previous section, or provide the Buyer with copies of such materials, with respect to the Defect of the Goods and/or Services.

17. CONFIDENTIALITY

- (1) The Seller shall handle the Buyer's Data confidentially, and shall not use nor copy nor disclose the Buyer's Data to any third party nor let any third party utilize the Buyer's Data except in the performance of services which the Seller

undertakes with prior written consent of the Buyer. If the Seller discloses the Buyer's Data to any third party in accordance with the above mentioned provisions, the Seller shall impose on those parties the same confidentiality restrictions as stipulated herein. The Seller shall be liable for any inappropriate disclosure or use by such third parties. Notwithstanding the above, if the Seller is required by the court, tribunal or governmental authority, the Seller shall immediately notify the Buyer thereof and both parties shall cooperate to protect the confidentiality.

- (2) The Seller shall not manufacture any products or other items that may compete with the Goods using the Buyer's Data. In addition, the Seller shall not use the Buyer's Data for any purpose other than the implementation of the Contract.
- (3) The Seller shall, in a reasonable manner, promptly return or destroy all the Buyer's Data and related documents and data transmitted to the Seller by the Buyer together with copies thereof upon cancellation, termination or completion of the agreement as evidenced by the Purchase Order or upon request from the Buyer. However, if the buyer instructed any particular manner of return or disposal of the Buyer's Data, the Seller shall follow the instruction. Upon completion of the destruction of the Buyer's Data, the Seller shall issue a certificate of destruction to the Buyer in writing.

18. QUALITY CONTROL SYSTEM AND DOCUMENTATION

- (1) The Seller shall build a quality control system of manufacturing, inspection, packing, and transportation in order to maintain the reliability and the quality of the Goods and/or the Services.
- (2) The Seller shall set a standard quality control system of the Goods and/or the Services and perform necessary inspections. The Seller shall also store the record of inspection reports for the period to which the Seller and the Buyer agree.
- (3) In order to clarify the quality control system for the Goods and/or the Services, the Seller shall, in response to the request from the Buyer, submit the organization chart of quality assurance system, control process chart, and other necessary documents to the Buyer.
- (4) The Seller shall notify and consult the Buyer of changes in manufacturing site, manufacturing process, manufacturing procedure, mold, and materials, etc. that that cause or may cause serious effect on the quality of the Goods and/or the Services in advance to the change.

19. USE OF SUB-CONTRACTORS

- (1) The Seller shall not consign or subcontract the production of the Goods or fulfillment of the Services to the Sub-contractors, without prior

written consent by the Buyer.

- (2) Notwithstanding the previous section, the Seller shall be responsible for all its obligations under the Contract in the event a Sub-contractor is used, and the Seller shall impose upon such Sub-contractors obligations to the same level as that imposed on the Seller under the Contract. In the event that such Sub-contractors breach such obligation, such breach shall be deemed to be made by the Seller, and the Seller shall be responsible for providing compensation for all damages that occur to the Buyer due to such breach.
- (3) Notwithstanding Article 17, in the event the Seller uses the Sub-contractors for implementing the Contract, the Seller may disclose confidential information, including information such as specifications, to the Sub-contractors as long as required. Provided however, the Seller shall accept full responsibility under the General Terms and Conditions and the Contract and the Seller shall impose upon such Sub-contractors confidentiality obligations to the same level as that required from the Seller under the General Terms and Conditions and the Contract. In the event that such Sub-contractors breach such obligation, such breach shall be deemed to be made by the Seller, and the Seller shall be responsible for providing compensation for all the damages that may occur to the Buyer due to such breach.

20. SUPPLIED ITEMS

- (1) The Buyer may, as the Buyer deems necessary or upon approval of a request from the Seller, supply the Seller with a part or all of the materials and/or parts necessary to produce the Goods and/or Services.
- (2) Whether materials are provided free of charge or not, or the method of supply for the materials and/or parts defined in the previous section, shall be decided by the Buyer. The price of charged materials and parts shall be decided by the Buyer.
- (3) The Buyer shall, in supplying the materials and parts, issue a designated slip identifying items such as name, quantity, delivery date, and amount of any charged material and parts. The Buyer shall, in advance, decide the settlement date for the payment of any charged materials and parts as well as the settlement method.

21. RENTAL ITEMS

- (1) Upon implementation of the Contract, the Buyer may, where the Buyer deems it to be necessary, supply Rental Items to the Seller.
- (2) The rental period and rental fees, etc. shall be determined by mutual agreement.

22. MANAGEMENT OF SUPPLIED ITEMS, RENTAL ITEMS

- (1) The Seller shall immediately inspect the Supplied

Items and Rental Items from the Buyer, and if the Seller finds any Defect, shortage in quantity, or any doubtful or unclear matter with regard to quality, the Seller shall immediately inform the Buyer of such Defects and matters. The Buyer shall check the above Defects / matters and appropriate the shortage of quantity and/or supply the replacement or fixed / repaired items to the Seller.

- (2) In the event a malfunction of the production of the Goods occurs due to a result of a Defect in the Supplied Items and/or Rental Items provided by the Buyer, the Seller shall immediately notify the Buyer of such Defect and discuss corrective measures with the Buyer. Provided however, where the Seller deliberately or negligently fails to find out any Defect in the Supplied Items and/or Rental Items and where any malfunction in the production of the Goods or any default to the Goods occurs due to Defects in the Supplied Items and/or Rental Items, the Seller shall compensate the Buyer for any damages suffered by the Buyer.
- (3) The Seller shall store and manage the Supplied Items and Rental Items with the care of a good manager, and shall not use them for purposes not intended for the Contract, transfer, sell, lend, or disclose them to any third parties, or copy or pawn them.
- (4) In order to avoid confusion of the Supplied Items and Rental Items with other items, the Seller shall distinguish them during storage and on the records by clearly indicating that these Supplied Items and Rental Items are owned by the Buyer, and clarify the state of the Supplied Items and Rental Items.
- (5) The Buyer is entitled to, with regard to the Contract, enter the Seller's business premises to check the operating status as well as the conditions of the Supplied Items and/or Rental Items and take them back if necessary.
- (6) In the event that the Seller loses, damages, or degrades the Supplied Items and/or Rental Items for the reasons attributable to the Seller, the Seller shall notify the Buyer of such matters and restore the items to the original state or provide substitutes following the instructions of the Buyer. Thus the Seller assumes the risk of and shall be responsible for any and all loss and/or damage to the Supplied Items and/or Rental Items except for reasonable wear and tear and except to the extent that such property is consumed in the performance of the Purchase Order.
- (7) In the event that a third party asserts any rights with respect to the Supplied Items and/or the Rental Items, or where a third party may infringe upon the Buyer's title to the Supplied Items and/or the Rental Items by means of provisional disposition or compulsory execution, the Seller shall prevent such infringement by asserting and proving such Supplied Items and/or Rental Items are the Buyer's

- property and immediately notifying the Buyer of the situation.
- (8) The supply of the Supplied Items and/or the Rental Items by the Buyer shall not be regarded as the execution of the Contract stipulated in Article 2. The Buyer shall not be responsible for any loss occurring to the Seller by the Seller's commencing of the production of the Goods before the execution of the Contract.
- (9) In the event where the Supplied Items are non-charged Supplied Items, the handling of left-overs, mill ends, and chips etc., shall be determined by mutual agreement.
23. TITLE AND PROPERTY RIGHT OF SUPPLIED ITEMS AND RENTAL ITEMS
- (1) Title and property right to the non-charged Supplied Items and Rental Items provided to the Seller shall at all times remain in the Buyer.
- (2) Title and property right to charged Supplied Items shall transfer from the Buyer to the Seller when the Seller completes full payment for the charged Supplied Items to the Buyer.
- (3) Title and property right to works-in-progress and Goods that are manufactured, repaired and processed using the Supplied Items shall remain in the Buyer. Provided however, the previous section shall apply for works-in-progress and Goods that use charged Supplied Items.
24. RETURN OF SUPPLIED ITEMS AND RENTAL ITEMS
- In the event that the Buyer requires the return or dispose of Supplied Items and/or Rental Items in situations (a) to (c) described below, the Seller shall return or dispose of the Supplied Items and/or Rental Items in accordance with the Buyer's instructions without delay. Upon completion of the destruction of the Supplied Items and/or Rental Items, the Seller shall issue a certificate of destruction to the Buyer in writing.
- (a) When the supplied period and/or rental period expires
- (b) When the Contract expires or is terminated
- (c) When the Buyer requests the Seller for the return of the Supplied Items and/or Rental Items.
25. COOPERATION FOR RESUPPLY
- In the event that all or part of the Goods or the Services in the market are required to be repaired, replaced or reperformed pursuant to law and regulation, judgment of the Buyer, or by the Customer in a situation where the Goods or the Services have or may have a Defect that could damage the life, health or property of an individual, the Seller shall supply, repair or replace the Goods or reperform the Service based on the Buyer's request.
26. CAUTION REGARDING ACCESS TO PLANT
- When the Seller or Sub-contractors enter the Buyer's plant or the site where the Seller shall perform the Services, the Seller shall observe the Buyer's regulations, and cooperate with the Buyer to maintain the safety and order of the plant or the site. The seller shall not without a prior written consent of the Buyer, accompany to the Buyer's plant or the site where the Seller shall perform the Services who are not Sub-contractors to perform the obligations of the Contract.
27. SPARE PARTS
- The Seller shall supply the Buyer with spare parts of the Goods indicated in the Seller's spare parts lists which will go into effect at the time of acceptance of the Goods by the Buyer for the life cycle of products in which each spare parts are to be incorporated unless otherwise agreed by both parties. The price and the delivery conditions of the above spare parts shall be separately agreed upon by the Seller and the Buyer in writing.
28. CHANGES
- (1) Subject to section (2) below, the Buyer may at any time make changes to the Contract. Such changes shall be notified to the Seller by the Buyer in writing.
- (2) If such changes cause any increase or decrease in the services or obligations of the Seller or affect the Time of Delivery of the Goods or the Time for Completion, the Buyer shall make an equitable and reasonable written amendment of the price of the Goods and/or Services, the Time of Delivery or the Time for Completion.
29. ENVIRONMENT
- (1) The Seller shall comply with all applicable laws, including, but not limited to, any national, international or local law, treaty, convention, protocol, common law, regulation directive (ex. RoHS Directive) or ordinance and all lawful orders dealing with the environment.
- (2) In order to overcome environmental issues and preserve global environment, the Seller and the Buyer shall strive to produce environmental load-reducing products, reduce waste, save energy and resources, and reduce the use of toxic substances.
- (3) The Seller shall comprehend and comply with Sustainable Procurement Guidelines which may be updated by the Buyer from time to time, and use environmentally friendly materials and parts, pay attention not to contaminate the environment by disposing waste, and make efforts to prevent accidents.
- (4) If any of the Goods or Services to be supplied under the Purchase Order contains or uses any hazardous substances, or requires any special precautions to be taken to ensure safety in handling, transport,

storage or use, then the Seller shall, prior to the delivery of the Goods or commencement of the Services, provide to the Buyer written details of the nature of those substances and the precautions to be taken. The Seller shall ensure that before delivery of the Goods, appropriate instructions and warnings are clearly and prominently marked on the Goods and on any containers into which it is packed.

30. COMPLIANCE, INTEGRITY

- (1) The Buyer and the Seller shall comply with the Foreign Exchange and Foreign Trade Control Laws and any other relevant treaty, convention, protocol, common law, regulation, ordinance and all lawful orders applicable in the Seller's country, the Buyer's country and the performance of the Contract.
- (2) The Seller warrants that no Goods and/or Services supplied under the Purchase Order have been or will be produced:
 - i utilizing forced, indentured or convict labor;
 - ii utilizing the labor of persons younger than fifteen (15) years of age or in violation of the minimum working age law in the country of manufacture of the Goods or performance of the Services under the Purchase Order, whichever is higher;
 - iii in violation of minimum wage, hours or days of service, or overtime laws in the country of manufacture of the Goods or performance of the Services under the Purchase Order; or
 - iv using Conflict Minerals (tantalum, tungsten, tin and gold, mined from Democratic Republic of Congo or an adjoining country).
- (3) The Seller shall promote equal opportunities and treatment of employees and Sub-contractors, irrespective of skin color, race, nationality, ethnicity, political affiliation, social background, disabilities, sexual orientation, marital status, religious conviction, gender or age.
- (4) In addition to the preceding sections, the Seller shall comply with all applicable laws, regulations and requirements by governmental agencies or authorities and respect the protection of internationally proclaimed human rights.
- (5) The Seller shall comply with Sustainable Procurement Guidelines and all other Buyer's procedures, policies and requirements, which may be updated by the Buyer from time to time.
- (6) The Seller shall impose upon Sub-contractors obligations to the same level as that imposed on the Seller under this article.
- (7) In the event that such Sub-contractors breach such obligation, the Seller shall immediately notice to the Buyer.

31. TERMINATION

- (1) When any of the following events occur to the Seller, the Seller shall lose the benefit of time for the

remaining liabilities, and the Buyer may immediately demand the implementation of such liabilities and may immediately terminate, either wholly or partially, the applicable Contract.

- i The Seller fails to perform the obligations under the Contract, or the Seller engages in critical misbehavior without the consent of the Buyer, such as rejecting or suspending its cooperation in the performance of business, and fails to remedy such failure or misbehavior within reasonable period of being requested to do so;
 - ii Insolvency, bankruptcy, receivership, attachment, provisional attachment, provisional injunction, dishonor of bill or suspension of bank remittance;
 - iii Dissolution, liquidation, substantial change in its management or discontinuation of its business;
 - iv Termination of business required in accordance with the laws or material effect on its right to do business caused by any action taken by governmental, judicial or any other authority;
 - v breach of Article 30;
 - vi impossibility of the performance of the whole or any part of the obligation;
 - vii declaration of intent by the Seller that it refuse to perform whole or any part of the obligation;
 - viii if the performance of part of the obligation is impossible, or if the Seller clearly manifests the intention to refuse to perform part of the obligation and the purpose of the Contract cannot be achieved by the performance of the remaining part of the obligation;
 - ix if, due to the nature of the Contract or a manifestation of intention by the Seller, the purpose of the Contract cannot be achieved unless the obligation is performed at a specific time on a specific date or within a certain period of time, and the Seller fails to perform the obligation at that time or before that period of time expires;
 - x in addition to the cases set forth in the preceding items from vi to ix, if the Seller does not perform the obligation and it is obvious that the Seller is unlikely to perform the obligation to the extent necessary to achieve the purpose of Contract even if the Buyer makes the demand; or
 - xi Any other event which may lead to foregoing events.
- (2) In case the Buyer terminate the applicable Contract for reasons attributable to the Seller, the Buyer reserves the right to be paid by the Seller the damages and interest in accordance with loss sustained due to but not limited to stoppage of the work and the fact that the work must be completed by any third party. In addition, the Seller shall immediately refund to the Buyer the total amount to have been paid by the Buyer up to the time of termination. Such right of termination shall not exclude any other remedies to which the Buyer may be lawfully entitled. Any damages or costs incurred by the Seller, arising from or in connection with the

termination of the Contract, shall be borne by the Seller.

- (3) For avoidance of any doubt, (i) the termination of certain Goods or/and Services individually stipulated in the Purchase Order pursuant to this article shall not be deemed as termination of the whole of the said Purchase Order or the Contract, and (ii) the Buyer may terminate the whole of the Contract when the events stipulated in this article occurs in relation to the part of such Contract.

32. MEASURES FOLLOWING TERMINATION OF THE AGREEMENT

- (1) When any agreement is terminated in accordance with Article 31, the Seller shall immediately implement and agree with the following items.
- (2) When the previous article applies to any case, and the Buyer requires any materials, machinery, appliances, jigs, tools, molds and the drawings, etc. owned by the Seller in order to complete the Goods or Services, the Seller shall transfer or lend such items to the Buyer.
- (3) When the Seller uses the Sub-contractors, the Seller shall give the Buyer approval to directly purchase all or a part of the Goods as a form of completed goods or work-in-progress from any such third party to meet the Time of Delivery. The Seller shall, to allow the Buyer to make such transactions etc., give its prior approval to such transactions etc. in an agreement with any such third party.

33. NOTIFICATION OF DISCONTINUANCE AND REVISED SPECIFICATION

- (1) In case that the Seller decides to discontinue manufacturing the Goods that is in delivery record to the Buyer, the Seller shall inform the Buyer in writing at least six (6) months in advance of the final order date.
- (2) The Seller shall clearly indicate to the Buyer the following items in the information stipulated in the previous section.
- (a) Regarding the Goods to be discontinued:
- 1) name of the Goods
 - 2) type (serial No.)
 - 3) specifications/rating/application
 - 4) unit price
 - 5) reason for discontinuing the Goods
 - 6) "final order date" for the Goods to be discontinued
- (b) Regarding the product replacing the Goods:
- 1) name of the product
 - 2) type (serial No.)
 - 3) specifications/rating/application
 - 4) unit price
 - 5) name of the manufacturer

6) "standard delivery terms" of the product

7) compatibility between the discontinued Goods and the replacing product

- (3) In case that the Seller decides to revise specification of the Goods including manufacturing method (hereinafter "revised specification") that is in delivery record to the Buyer, the Seller should inform the Buyer in writing at least six (6) months prior to the commencement date of the revision.

(4) In terms of the revised Goods, the Seller shall clearly indicate to the Buyer the following items;

- (a) name of the Goods
 - (b) type (serial No.)
 - (c) specifications/rating/application
 - (d) details of the revise
 - (e) reason for the revise
 - (f) unit price of the current Goods
 - (g) "final order date" for the Goods of current specification
 - (h) starting date of production of the revised product
 - (i) unit price of the revised product.
- (5) The Seller shall notify the Buyer in writing of the discontinuing product or the revised specification product of the manufacturer. If there is no compatible product, the Seller shall offer the Buyer a substitute, in which case the Seller shall attach technical data of the product for the Buyer to study.
- (6) If the Seller fails to notify the Buyer within six (6) months prior to the date described in Section (1) and (3) of this article, the Seller shall immediately instruct the Buyer in writing to secure the acquisition of the Goods or the maintenance parts for the Goods required by the Buyer by extending the order period, etc. The measures shall be determined by mutual agreement.

- (7) If there is no notice as set forth in Section (1) to (6) of this article, the Seller shall be responsible for providing the Goods and maintenance parts for the Goods at prices and other conditions equivalent to those set forth in the Contract or as separately agreed between the Buyer and the Seller. Provided however, this does not apply where there is a separate agreement between the Buyer and the Seller with respect to the supply period of the specific Goods or maintenance parts of the Goods.

34. INSURANCE

- (1) The Seller shall take out and maintain insurance policies, as is required by law or and as is necessary to cover all the Seller's responsibilities and liabilities that may arise from or that are related to the Contract. In particular the Seller shall, at no additional expense to the Buyer, effect and maintain insurance covering but not limited to the following.
- (a) Workers Accident Compensation Insurance for an

amount in respect of applicable law liability covering all persons employed by the Seller.

- (b) Contractors' All Risks/Erection All Risks (CAR/EAR) Insurance during the execution and maintenance period for all parties involved in construction project and engineering (installation/tests/commissioning) project respectively for an amount based on and not less than the project Purchase Order value.
- (c) Public Liability Insurance, Product Liability Insurance and Industrial All Risks (Fire and Property Damage) Insurance if the Goods supplied are manufactured or imported by the Seller or its Sub-Contractors, sufficiently covering the responsibility and liability of the Seller, and the insurance amount shall be determined, as necessary, by mutual agreement. The insurances must provide cover in respect of each and every claim. The Public Liability Insurance must be unlimited as to the number of claims during the period of insurance and the Products Liability Insurance can be in the aggregate during the period of insurance.
- (d) Professional Indemnity Insurance sufficiently covering the responsibility and liability of the Seller, and the insurance amount shall be determined, as necessary, by mutual agreement.
- (2) The Seller shall properly insure the Goods for protection from loss and damage of any kind during transportation to the delivery point specified in the Purchase Order. The insurance shall cover at least the scope of insurance stipulated in Institute Cargo Clauses (A) 1/1/09 or/and Institute Cargo Clauses (Air) 1/1/09.
- (3) In case of claiming to the insurance company, the Seller or the Buyer shall provide full cooperation such as submitting necessary documents to the other Party.
- (4) The Seller shall provide the Buyer with certificates of insurance or evidence of coverage before commencing performance under the Purchase Order.
- (5) Should the Seller default in taking out or maintaining the insurance coverage stipulated above, the Buyer (without prejudice to any other rights and remedies available to it) may (but is not obliged to) itself insure against any risk with respect to which the default has occurred and the costs of such insurance including but not limited to premiums shall be recoverable from the Seller.

35. FORCE MAJEURE

- (1) If, during the term of the Contract and this General Terms and Conditions, the Buyer's business is stopped, interrupted or restricted, due to war, strike, lockout, riot, civil commotion, epidemic, unusual inclemency of the weather, fire, accident, governmental act, shortage of material or labor or any other cause whatsoever, and wherever, beyond

its control(respectively and collectively "Force Majeure" hereinafter), the Buyer may cancel or suspend at its option and without penalty whole or part of the Contract.

- (2) On the occurrence of any event of Force Majeure, causing a failure to perform or delay in performance, the Seller shall immediately provide written notice to the Buyer of such date and the nature of such Force Majeure and the anticipated period of time during which the Force Majeure conditions are expected to persist.
- (3) The Seller shall use its best efforts to mitigate the adverse effects of such Force Majeure event, remedy its inability to perform, and resume full performance of its obligations hereunder.

36. INTELLECTUAL PROPERTY RIGHTS

- (1) Any of new industrial property rights, copyrights or know-how or any other rights which will be created or obtained through the use of the Buyer's Data or related information, industrial property rights, copyrights or know-how owned by the Buyer shall be solely owned by the Buyer.
- (2) Without prior written consent of the Buyer, the Seller shall not attempt to file an application of any industrial property right or register any copyright in connection with inventions or intellectual properties based on the Buyer's Data or industrial properties owned by the Buyer.
- (3) Without prior written consent of the Buyer, the Seller shall not use or utilize any right created under this article including but not limited to industrial property rights, copyrights or know-how except in the performance of services for the Contract. Furthermore, the Seller shall not use, utilize or copy the Buyer's Data, nor disclose them to any third party, nor make any third party use, utilize or copy them, except in the performance of services which the Seller undertakes.
- (4) Without the Seller's consent, the Buyer may modify or change, in whole or in part, the Goods and/or Services delivered by the Seller.

37. NO ASSIGNMENT

Neither party shall have the right to assign its rights or obligations under the Contract to any third party without prior written consent of the other party.

38. NO WAIVER

Failure of either party hereto to enforce any of the provisions of the Contract or any right with respect thereto or failure to exercise any election provided for herein, shall in no way be considered a waiver of such provision, right or election, or in any way affect the validity of the Contract. The failure of either of the parties hereto to enforce any of said provisions, rights or elections shall not preclude or prejudice such party from later enforcing or exercising the

same of other provisions, rights or elections which they may have under the Contract.

39. ENTIRE AGREEMENT

The Contract constitutes the entire agreement between the Seller and the Buyer with respect to the subject matters of the Contract, and supersedes all prior agreements, covenants, communications, representations of warranties, whether oral or written to any officer, employee or representative of any of the parties.

40. GOVERNING LAW

The Contract shall be governed by the laws of Japan. With regard to the United Nations Convention on Contracts for the International Sale of Goods (CISG), the parties hereby agree that the CISG shall not apply to the Contract.

41. ARBITRATION

Any disputes, controversies or differences which may arise between the Seller and the Buyer, out of or in relation to or in connection with the Contract, or breach thereof, shall be finally settled by arbitration in Tokyo, Japan pursuant to the Commercial Arbitration Rules of the International Chamber of Commerce. Recourse to a court against an arbitral award shall be under the exclusive jurisdiction of the Tokyo District Court.

42. MISCELLANEOUS

- (1) The Contract shall not create either party as legal representative, agent or partner of the other party, nor shall any party have the right or authority to assume, create or incur any liability or any obligation of any kind, whether expressed or implied, against or in the name of or on behalf of the other party.
- (2) All rights and remedies of the parties, or of either of them in the Contract shall be in addition to all other legal rights and remedies belonging to them and the same shall be deemed to be cumulative and not alternative to such legal rights and remedies.
- (3) The Contract is intended to be valid and effective throughout the world and, to the extent permissible

under applicable law, shall be construed in a manner to avoid violation of or invalidity under the laws of any applicable jurisdiction. Should any provision of the Contract nevertheless be or become invalid, illegal or unenforceable under any such laws, the other provisions of the Contract shall not be affected, and, to the extent permissible under applicable law, the parties will use their best efforts to modify the said invalid, illegal or unenforceable provisions so as to comply with such laws.

43. NOTICE

All notices required under the Contract shall be made in writing, to the addresses of the parties shown in the Contract. The notices shall be delivered by e-mail or Airmail. The notice given by Airmail is deemed to be delivered to the recipient party within seven (7) days from the dispatch thereof and notice given by e-mail is deemed to be delivered at the time of dispatch.

44. SURVIVE

- (1) Provisions of this General Terms and Conditions which either are expressed to survive the termination of the Contract or from their nature or context it is contemplated that they are to survive such termination shall remain in full force and effect notwithstanding such termination.
- (2) The obligations set forth in Articles below shall survive termination.
 - Article 13(WARRANTY)
 - Article 14(INDEMNITY)
 - Article 15(INVESTIGATION OF THE CAUSE)
 - Article 16(STORAGE OF DOCUMENTS)
 - Article 17(CONFIDENTIALITY)
 - Article 19(USE OF SUB-CONTRACTORS)
 - Article 25(COOPERATION FOR RESUPPLY)
 - Article 27(SPARE PARTS)
 - Article 32(MEASURES FOLLOWING TERMINATION OF THE AGREEMENT)
 - Article 36 (INTELLECTUAL PROPERTY RIGHTS)
 - Article 40 (GOVERNING LAW) and
 - Article 41 (ARBITRATION)

The end of General Terms and Conditions of Purchase

MEIDENSHA CORPORATION
Procurement Group