

Terms and Conditions of Purchase

1. Jurisdiction; Contract Formation. These Terms and Conditions of Purchase (the “Terms and Conditions”) apply to any purchases by the Company, its subsidiaries, affiliates, successors, and assigns (“Buyer”) of the goods or services (“Merchandise”) described in these Terms and Conditions, any document of Buyer attached hereto, and any communication of Buyer that directed Seller to or incorporates these Terms and Conditions (collectively, the “Contract Documents”). For purposes of these Terms and Conditions, the jurisdiction is Tokyo, Japan (the “Jurisdiction”). In the event of any conflict between these Terms and Conditions and any other Contract Document, the former shall prevail. “Seller” is the merchant of the Merchandise identified in the Contract Documents. Buyer is not a merchant dealing in the Merchandise. Seller shall be deemed to have accepted the provisions of the Contract Documents by any of the following: (a) signing any of the Contract Documents; (b) sending to Buyer a written acknowledgement of any Contract Documents; (c) communicating to Buyer regarding, or commencing performance with respect to, the Merchandise following receipt of any Contract Documents; (d) failing to object to a communication regarding the Merchandise within ten (10) days after receiving any Contract Documents; (e) delivery of any part of the Merchandise; (f) accepting payment for any part of the Merchandise; or (g) indicating in some other manner Seller’s acceptance of any Contract Documents. Buyer may revoke its offer to purchase the Merchandise at any time prior to Seller’s acceptance. Upon acceptance, Seller irrevocably agrees to sell and deliver the Merchandise in strict compliance with the Contract Documents. BUYER HEREBY OBJECTS TO AND REJECTS THE PROVISIONS OF ANY CONFIRMATION OR OTHER DOCUMENT AND ANY TERMS SUPPLIED BY ANY TRADE USAGES OR COURSE OF DEALING WHICH ARE INCONSISTENT WITH OR IN ADDITION TO THE PROVISIONS OF BUYER’S CONTRACT DOCUMENTS (WHICH INCONSISTENT OR ADDITIONAL PROVISIONS ARE HEREBY EXCLUDED FROM THIS CONTRACT), AND BUYER’S OFFER AND OBLIGATIONS ARE EXPRESSLY CONDITIONED UPON SELLER’S ACCEPTANCE OF THESE TERMS AND CONDITIONS. THE CONTRACT DOCUMENTS SHALL BE THE COMPLETE AND EXCLUSIVE CONTRACT BETWEEN BUYER AND SELLER WITH RESPECT TO THE MERCHANDISE (THE “CONTRACT”) AND MAY BE MODIFIED ONLY IN A WRITING SIGNED BY BUYER’S AUTHORIZED REPRESENTATIVE. In this Contract, “including” shall be deemed to mean “including without limitation.”

2. Changes, Cancellation. Buyer may at any time direct changes, or cause Seller to make changes, to the Merchandise or to otherwise change the scope of this Contract including such matters as inspection, testing or quality control, and Seller agrees to make such changes promptly. Any difference in price or time for performance resulting from such changes shall be equitably adjusted by Buyer after receipt of documentation in such form and detail as Buyer may direct. Any changes to this Contract shall be made in accordance with this Section 2. In addition to any other rights of Buyer to terminate this Contract, Buyer may, at its option, immediately terminate all or any part of this Contract, at any time and for any reason, by giving written notice to Seller. Upon such termination, Buyer shall pay to Seller the following amounts without duplication: (a) the Contract price for all Merchandise completed and delivered in accordance with the Contract Documents and not previously paid for and (b) the actual costs of work-in-process and raw materials incurred by Seller in furnishing the Merchandise under this Contract to the extent such costs are reasonable in amount and are properly allocable to the terminated portion of this Contract (provided Seller has delivered to Buyer any such work-in-process or raw materials), less the sum of the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Buyer’s written consent and the cost of any damaged or destroyed goods or material. Buyer will make no payments for finished goods, services, work-in-progress or raw materials fabricated or procured by Seller in amounts in excess of those expressly authorized under this Contract nor for any undelivered goods or raw materials that are in Seller’s standard stock or that are readily marketable. Payments made under this Section shall not exceed the aggregate price payable by Buyer for Merchandise that is undelivered at the date of termination. Except as provided in this Section, Buyer shall not be liable for payments to Seller, directly or on account of claims by Seller’s subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, or general and administrative burden charges from termination of this Contract. Within sixty (60) days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer, with sufficient supporting data to permit Buyer’s audit and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer or its agents shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim of Seller.

3. Price. The price of the Merchandise shall be as agreed to by the parties and confirmed by Buyer and, unless otherwise agreed in writing by Buyer, shall be inclusive of all other charges, including foreign, federal, state, and local taxes (excepting only sales taxes Buyer is required to pay by applicable law), customs duties, import duties, costs of carriage, packing, packaging, and insurance. No increase in price or extra charges, including any interest or finance charges, shall be effective unless Buyer, in its sole discretion, consents to them in writing in advance, and if Buyer consents to a price increase or extra charges, it shall not be effective until at least thirty (30) days after such consent is given. Unless otherwise stated in the Contract Documents, all sums due under the Contract Documents shall be paid in the currency of the Jurisdiction.

4. Warranties. Seller represents and warrants that (a) it is financially solvent; (b) it is authorized/licensed to provide the Merchandise; (c) it has marketable title to and the right to convey the Merchandise; (d) the Merchandise is unencumbered and free from security interests and liens; and (e) the Merchandise does not infringe any trademark, patent, copyright, design, or similar intellectual property right. In addition to any other express or implied warranties that Seller has provided or that Buyer may otherwise have, Seller expressly and unconditionally warrants for the maximum period allowed by law after the date of delivery (or replacement) to Buyer that all Merchandise shall, unless otherwise specified or agreed by Buyer, be new and of first-class quality, be merchantable, be fit for Buyer's specific purpose, be free of defects in materials, workmanship, manufacture and design, whether latent or otherwise, conform strictly to the stricter of the specifications and descriptions set forth in the Contract Documents, Seller's catalogs, product brochures, and other representations, depictions, samples, and models of the Merchandise, meet the highest standards of the industry, and be adequately contained, packaged and labeled. All warranties are for the benefit of Buyer and its successors and assigns and shall survive any inspection, delivery, acceptance, and payment. Seller shall assign in full, and without cost to Buyer, all warranties from Seller's suppliers that are applicable to the Merchandise and deliver such assigned warranties with the Merchandise. Seller shall indemnify, defend, and hold Buyer harmless against any and all loss, liability, expense, claims, or demands, including attorneys' and consultants' fees and expenses arising from Seller's or Seller's agents' breach of this Contract, negligence, gross negligence, or other act that causes any personal injury (including death), property damage, or economic losses, including damage to Seller, Buyer, or third parties, in any manner connected with the performance of this Contract, including indirect, incidental, consequential, and punitive damages or losses, except to the extent caused by Buyer's sole negligence. If any such claim is made against Buyer, Buyer shall give Seller notice of such claim and shall, at Seller's expense, furnish assistance in connection with the defense of such suit as is reasonably requested by Seller. Buyer shall have the right, but not the obligation, to control the defense or settlement of any claim or lawsuit covered by Seller's indemnity, all at Seller's expense. At Buyer's option, Seller shall be liable at Seller's sole expense to assume the defense of any such litigation, but Buyer may, at its own expense, associate attorneys of its own choice to aid in the defense of any such suit.

5. Delivery. The date or dates for delivery of the Merchandise are as agreed to by the parties and confirmed by Buyer. Buyer reserves the right to accept or reject, in whole or in part, partial or excess deliveries of Merchandise. Unless otherwise specified in the Contract Documents: (a) all deliveries of Merchandise shall be DDP Buyer's chosen location (as defined in "Incoterms 2010"), using the carrier of Buyer's choice and (b) title and risk of loss shall pass to Buyer after delivery of the Merchandise to Buyer at the DDP delivery point. TIME IS OF THE ESSENCE IN THE PERFORMANCE OF THIS CONTRACT. Seller shall be liable for any loss or damage to, and shall procure such insurance as may be reasonable under the circumstances covering, the Merchandise, any property held on Buyer's behalf, and any other risk to Buyer from Seller's performance of the Contract. Upon Buyer's request, Seller shall provide Buyer with certificates evidencing such insurance and shall name Buyer as an additional named insured under such insurance. A packing slip shall accompany each shipment of Merchandise.

6. Inspection. Buyer shall have the right, but shall be under no duty, to inspect or test the Merchandise before its processing, use, or resale, and the processing, use, or resale shall not constitute a waiver of any claim. Complaints or notice of defects in the Merchandise shall be deemed timely if made within a reasonable period of time after discovery by Buyer of such defects. Payment for any of the Merchandise shall not be deemed an acceptance of such Merchandise. Any failure of the Merchandise to conform to any of the warranties of Section 4 shall, if Buyer has accepted the Merchandise, constitute a nonconformity that substantially impairs such Merchandise's value to Buyer for which Buyer may revoke acceptance, such acceptance being deemed to have been induced either: (a) on the reasonable assumption that such nonconformity would be cured and it has not been reasonably cured or (b) if Buyer did not discover such nonconformity prior to acceptance, by the difficulty of discovery before acceptance or by Seller's assurances.

7. Payment. Payment terms shall be as shown in the Contract Documents. Unless specified otherwise in the Contract Documents, payment shall be due within a reasonable time after receipt by Buyer of all Merchandise and all invoices therefore. Seller shall apply each payment by Buyer to the invoices for which such payment is made.

8. Compliance with Laws. Seller agrees that it shall strictly comply with all applicable foreign, federal, state, and local laws, rules, regulations, codes, and ordinances, including all applicable laws and regulations regarding employment and discrimination. Seller shall arrange for all inspections and approvals by governmental officials including customs clearance or other import or export obligations, if necessary. Seller shall not offer or provide to Buyer's purchasing agents any gratuities, gifts, payments, or anything of value, nor shall Seller offer or provide to any employees, agents or other representatives of Buyer any gratuities, gifts, payments, or anything of value in an attempt to influence directly such person's administration of the provisions of this Contract. Buyer desires to conduct its business in accordance with the highest legal and ethical standards; SELLER SHOULD REPORT ANY VIOLATIONS DIRECTLY TO BUYER'S MANAGEMENT OR VIA A THIRD-PARTY, ANONYMOUS HOTLINE AT (1-866)327-8419 (US TOLL-FREE NUMBER).

9. Remedies. Except as expressly provided in the Contract Documents, Buyer and Seller shall have only those rights and remedies provided by applicable law; provided, however, that if the Merchandise or any part thereof is not supplied in accordance with the Contract Documents or by the delivery date specified therein or Seller otherwise fails to observe strictly or to comply strictly with any

of the Contract Documents, Buyer may avail itself of one or more of the following remedies at its discretion, regardless of whether Buyer has accepted the Merchandise in whole or in part: (a) to cancel this Contract, in whole or in part; (b) to reject the Merchandise, in whole or in part, and return it to Seller at Seller's risk and cost for a full refund to be paid promptly by Seller; (c) to refuse to accept any further deliveries of any Merchandise, without any liability to Seller; or (d) to claim any damages available to Buyer as may have been sustained, including any consequential loss or damage (including any claim for damages or indemnity in respect to any sum paid or payable to any third party), any difference in value of nonconforming Merchandise Buyer has accepted, or any loss of revenue, loss of profits, or loss of any contract, arising out of the supply of the Merchandise or its use or resale by Buyer. Notwithstanding any contrary provision in the Contract Documents or any other statement, whether written or oral, Buyer, through its agents or otherwise, does not assume any responsibility or liability to indemnify, defend, save, or hold harmless any other person, firm or party from or against any loss, damage, or injury, including any indirect, incidental, consequential, special, or punitive damages, losses, or injuries whatsoever, regardless of any language by which such assumption purports to be expressed or implied. Notwithstanding anything to the contrary in the Contract Documents, any claim by Buyer may be made within the limitation period provided by the applicable statute of limitations in the Jurisdiction.

10. Dispute Resolution. Except as otherwise provided herein, any dispute arising out of or related to this Contract shall be settled by binding arbitration in the Jurisdiction administered in accordance with Rules of Arbitration of the International Chamber of Commerce in effect on the date of such arbitration, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration proceedings, and all documents, pleadings and awards related thereto shall be in the official language of the Jurisdiction. The arbitration award shall be stated in the currency of payment specified in this Contract or, if no such currency is specified, the currency of the Jurisdiction and the reasons for the award shall be stated therein. The arbitrator(s) shall have no power to alter or modify any provision of this Contract. The parties shall equally share the arbitrator's fees and costs. Buyer may, in its sole discretion, apply to a court of competent jurisdiction with respect to any claims by Buyer arising out of or relating to this Contract. Seller hereby irrevocably submits to the jurisdiction of the courts within the Jurisdiction with respect to any such litigation. If Buyer files litigation in accordance with the foregoing, Seller shall file no counterclaim therein that is arbitral under this Contract.

11. Confidentiality. Buyer may disclose technical or business information to Seller in connection with the negotiation or performance of this Contract. Seller agrees to keep confidential all such information as well as any other information relating to this Contract, including Buyer's interest in, or the existence or terms of, this Contract. Seller shall not disclose or use, directly or indirectly, such information for any purpose other than the purposes of performing this Contract, nor shall Seller disclose to Buyer any of Seller's information that Seller deems confidential.

12. Governing Law. For domestic sales, the law of the Jurisdiction, without regard to its conflict of laws principles, shall govern this Contract and the rights and obligations of the parties hereunder. For international sales, the United Nations Convention on Contracts for the International Sale of Goods (the "Sales Convention") shall, to the extent applicable and as limited herein, govern this Contract and the rights and obligations of the parties hereunder. Notwithstanding the foregoing, in the event of any inconsistency or conflict between provisions of this Contract, including these Terms and Conditions, on the one hand, and the Sales Convention, on the other hand, the provisions of this Contract shall govern and prevail. To the extent of any such inconsistency or conflict, the provisions of this Contract shall be deemed to derogate from the provisions of the Sales Convention within the meaning of Article 6 thereof. Questions that are not expressly settled in this Contract or by application of the Sales Convention are to be settled in conformity with the internal laws of the Jurisdiction, without regard to its conflict of laws principles. For international sales not governed by the Sales Convention, the internal laws of the Jurisdiction, without regard to its conflict of laws principles, shall govern this Contract and the rights and obligations of the parties hereunder.

13. Notice. Unless specified otherwise elsewhere in this Contract, all notices and similar communications provided hereunder shall be in the official language of the Jurisdiction in writing, and delivered by any means that are reasonable under the circumstances.

14. Assignment and Delegation. Neither party shall transfer or assign this Contract or subcontract any duties hereunder, whether by operation of law or otherwise, without the prior express written consent of the other party. Any attempted transfer, assignment, or subcontracting without such consent shall be void and without force or effect. Except as otherwise expressly provided herein, this Contract is not intended to be for the benefit of, and shall not be enforceable by, any person not a party to it or the permitted assignee of such party. Because antitrust/competition violations ultimately impact Buyer, Seller hereby irrevocably assigns to Buyer all present and future claims it may have against third parties under any foreign, federal and/or state antitrust/competition law in connection with the Merchandise (including all related raw materials, components and services). Seller shall immediately notify Buyer in writing upon becoming aware of any such potential claim and shall notify all relevant third parties that such claim has been assigned to Buyer.

15. Force Majeure. Seller shall not be liable for any failure to perform its obligations under the Contract Documents that is due to any cause beyond its reasonable control (a "Force Majeure Event"); provided, however, that Seller shall not be excused from any such obligations due to economic hardship, changes in market conditions, insufficiency of funds, unavailability or increased cost of equipment, materials or supplies, or labor difficulties. Seller shall give immediate notice to Buyer of any alleged Force Majeure Event.

As a result of any alleged Force Majeure Event, Buyer may, but is not obligated to, (a) terminate this Contract in whole or in part; (b) reject the Merchandise, in whole or in part, and return it to Seller at Seller's risk and cost for a full refund to be paid promptly by Seller; or (c) refuse to accept any further deliveries of any Merchandise, without any liability to Seller.

16. Intellectual Property. Neither party transfers to the other party any patent, know-how, trade secret, trademark, copyright, or any other intellectual property right in the information, documents or property that such party makes available to the other under this Contract, other than (a) Seller has the right to use Buyer's intellectual property rights solely to produce and supply Merchandise to Buyer under this Contract, (b) if the Merchandise is experimental, custom or developed for Buyer (including any original works of authorship or art qualifying for copyright protection), all rights, title and interest in and to any intellectual property conceived, developed, or first reduced to practice in order to produce or supply the Merchandise is hereby irrevocably assigned to the Buyer and Seller agrees to have all necessary documents executed to document such assignment and assist the Buyer in perfecting any such interest (Buyer agrees to pay Seller's reasonable costs in assisting the Buyer to perfect any such interest), and, (c) if this Contract is terminated due to Seller's default and Buyer cannot reasonably obtain substitute Merchandise from a third party without Seller's intellectual property, Buyer shall have a non-exclusive royalty free right and license to use Seller's intellectual property to obtain, use and sell substitute Merchandise. Seller may not use Buyer's name, logo or trademark without Buyer's written consent.

17. General. All rights and remedies hereunder shall be in addition to all other rights and remedies under applicable law, all of which rights and remedies shall be nonexclusive and cumulative. No waiver by either party of any default shall be deemed a waiver of any subsequent default. If any provision of this Contract is determined to be invalid, such invalidity shall not affect the validity of the remaining portions of this Contract.