

Agreement concerning Restriction of the Use of Specified Chemical Substances

In accordance with the conclusion of the Basic Supply Contract dated on _____, between Toshiba Hokuto Electronics Corporation (hereinafter referred to as “Buyer”) and _____(hereinafter referred to as “Seller”), both parties agree as follows:

Article 1 (Definitions)

In this Agreement, the following terms have the respective meanings set forth below.

- 1) “**Restriction of the Use**” shall be recognized to control contain of Specified Chemical Substances in any parts of Procured Items delivered by Seller below each thresholds in accordance of Related Laws/Regulations and product specifications.
- 2) “**Specified Chemical Substances**” means 15 substances determined by Buyer as prescribed in Appendix. These are Chemical substances/groups whose use to products and sale thereof are prohibited, restricted or to be reported, subject to domestic and/or overseas laws and regulations.
- 3) “**Procurement Items**” means all items the Seller delivers as per orders placed by Buyer.
- 4) “**Related Laws/Regulations**” means domestic/overseas laws and regulations which detail shown in “Appendix”.
- 5) “**this Agreement**” means this “Agreement concerning Restriction of the Use of Specified Chemical Substances”.

Article 2 (Objective)

This Agreement provides conditions of the compliance with Restriction of the Use prescribed by the Related Laws/Regulations and product specifications and also provides establishment of the organization therefor.

Article 3 (Compliance with Related Laws/Regulations and Establishment of the Organization therefor)

1. The Seller shall comply with the Buyer’s Green Procurement Guideline concerning all Procurement Items Seller delivers to Buyer. However, if the product specification provided different Restriction of the Use from Laws/Regulations provides, the product specification shall be followed.
2. To comply with the Restriction of the Use referred to in the preceding paragraph, Seller shall establish the organization to respond to the requests which are separately notified by Buyer. Such requests include, but not be limited to Agreement concerning Compliance Certification for Restriction of the Use concerning Procurement Items, component data and measured data of component.

Article 4 (Warranty)

Seller shall guarantee that low materials and forth that contained in the Procurement Items comply with previous article.

Article 5 (Report and Audit)

For Buyer to survey Seller’s compliance with this Agreement, Seller shall submit reports to Buyer upon Buyer’s request. After consultation between both parties, Seller shall accept on-site inspection conducted by Buyer at the Seller’s office and facility, or at the site where the Procurement Items are manufactured if Seller actually not manufacturing Procurement Items itself.

Site inspection by Buyer includes, but not be limited to production process check and random inspection of sampling data of components and parts.

Article 6 (Prior Notice of Alternation and so forth)

1. If there is expected any change of production process for Procurement Items, Seller shall priory notify Buyer concerning changes.
2. Seller shall promptly notify Buyer in the event of any known violation or any known event that could result in violation of this Agreement concerning Procurement Items or raw materials thereof.

Article 7 (Guidance, Recommendations and so forth)

If Buyer gives Seller any guidance and recommendations in accordance with preceding two articles, Seller shall promptly take adequate measures in response thereto and shall report Buyer concerning the outcome.

Article 8 (Compensation)

1. If Seller gives any damage to Buyer by reason of committing a breach of this Agreement, Buyer shall have right to claim for such damage.
2. If any damages occur to Buyer in spite of that Seller has completely applied with all aspects of the Green Procurement Guideline, the adequate measure shall be discussed between both parties.

Article 9 (Cancellation)

If Seller violates the provisions of this Agreement, Buyer may cancel the whole or any portion of Basic Supply Contract placed by Buyer.

Article 10 (Dispute Resolution)

1. Any question, discrepancy or other dispute (hereinafter referred to as "Dispute" arising with respect to this Agreement between Buyer and Seller shall be faithfully discussed and settled between Buyer and Seller.
2. For any dispute with respect to this Agreement, the Asahikawa District Court shall be appointed as a court for first instance having exclusive jurisdiction by agreement.

IN WITNESS WHEREOF, the parties hereto caused this Agreement to be executed in duplicate by placing signatures and seals of Buyer and Seller, each party retaining one (1) original hereof, respectively.

The Buyer:

By: _____ Date: _____

The Seller:

By: _____ Date: _____

(Appendix): Attachment for (Form 1)

The definition of Specified Chemical Substances means 15 substances from A01 to A15 which THD defines in Specified Chemical Substances Subject to Content Analysis for Procured Articles in our “Green Procurement Guideline”.

No.	Substance (group)	Threshold	Major related laws and regulations
A01	Asbestos	Intentionally added	<ul style="list-style-type: none"> • Water Pollution Control Law • Waste Management Law • Asbestos Disability Prevention Rule • EU Directive for Restriction on Hazardous Substances 76/769/EEC
A02	Some azodyes/azopigments (each of which forms a certain amine)	Intentionally added	<ul style="list-style-type: none"> • Chemical Substances Control Law • Labor Safety and Health Law • German Consumer Goods Regulation • China National Safety Technical Code
A03	Cadmium/cadmium compound	100ppm or intentionally added	RoHS Directive
A04	Hexavalent chromium/hexavalent chromium compound	1000ppm or intentionally added	RoHS Directive
A05	Lead/lead compound*	1000ppm or intentionally added, 300ppm or intentionally added for a vinyl chloride cable	RoHS Directive
A06	Mercury/mercury compound*	1000ppm or intentionally added	RoHS Directive
A07	Ozone layer destructive substances (CFC's, HCFC's, HBFC's and carbon tetrachloride, etc.)	Class I: Intentionally added Class II & HCFCs: 1000ppm	Ozone Layer Protection Law Montreal Protocol
A08	Biphenyls polybromide (PBB's)	1000ppm or intentionally added	RoHS Directive
A09	Diphenyl ethers polybromide (PBDE's)*	1000ppm or intentionally added	RoHS Directive
A10	Biphenyls polybromide (PCB's)	Intentionally added	• Chemical Substances Control Law (Class 1 Specified Chemical Substances)
A11	Naphthalene polychloride (with 3 or more chlorine elements)	Intentionally added	• Chemical Substances Control Law (Class 1 Specified Chemical Substances)
A12	Radioactive material	Intentionally added	<ul style="list-style-type: none"> • Nuclear Reactor Regulation Law • Laws Concerning Prevention from Radiation Hazards due to Radioisotopes and Others
A13	Some general shortened paraffin chlorides	Intentionally added	• Chemical Substances Control Law (Class 1 monitoring Chemical Substances)
A14	Tributyl tin (TBT) and triphenyl tin (TPT)	Intentionally added	• Chemical Substances Control Law (Class 2 Specified Chemical Substances)
A15	Tributyl tin oxide (TBTO)	Intentionally added	• Chemical Substances Control Law (Class 1 Specified Chemical Substances)

Note 1) Intentionally added: Means that the relevant substance is used to products or for manufacturing process intentionally in order to maintain the certain level of characteristics, appearances or quality.

Note 2) The total amount of cadmium, lead, mercury and hexavalent chromium contained in the packaging materials must not exceed 100 ppm.