

Agreement on non-containing specific hazardous substances

Toshiba Carrier Corporation (hereinafter referred to as “COMPANY”) and _____ (hereinafter referred to as “SUPPLIER”) hereby agree as stated below regarding the laws, etc. for restriction on the use of designated hazardous substances, notably the “Directive 2011/65/EC of the European Parliament and of the Council on the restriction of the use of certain hazardous substances in electrical and electronic equipment” (hereinafter referred to as “RoHS DIRECTIVE”) that has been in effect since June 8, 2011.

Article 1 (Observance of environment-related laws, etc. and establishment of the system therefor)

1. SUPPLIER shall observe the specification documents (including drawings and/or instruction documents and/or Green Procurement Guidelines) issued by COMPANY in which COMPANY specifies noncontent and/or content regulation of environment-related substances, including those indicated by the RoHS DIRECTIVE of the EU.
2. SUPPLIER shall separately establish a system whereby COMPANY makes notifications to SUPPLIER to facilitate achievement of the objectives stated in the preceding paragraph.
In the case that an excessive cost is incurred in realization of the system, COMPANY and SUPPLIER shall conduct a negotiation or negotiations regarding sharing the burden of the excessive cost.

Article 2 (Guarantee)

SUPPLIER shall guarantee that supplies to COMPANY and raw materials, etc. contained therein conform to the provisions of the preceding article, and shall submit to COMPANY the content and/or noncontent reply documents when COMPANY so requests, in a format separately specified by COMPANY.

Article 3 (Arrangement for cooperation)

1. COMPANY has the right to request that SUPPLIER submits reports as required to investigate the state of observance by SUPPLIER of this Letter of Agreement, and also to conduct onsite audits of SUPPLIER’s establishments or workplaces.
SUPPLIER shall cooperate with COMPANY to realize such onsite audits of the SUPPLIER’s places of manufacture when manufacturing is not underway.
2. SUPPLIER shall cooperate in the submission of the reports and realization of the onsite audits as provided in the preceding paragraph; however, COMPANY and SUPPLIER shall conduct a negotiation or negotiations regarding sharing the burden of the excessive cost in the case that an excessive cost is incurred to SUPPLIER in realization of such cooperation.

Article 4 (Prior notification of alteration, etc.)

1. SUPPLIER shall notify COMPANY of the content of alteration prior to the actual execution in a manner separately specified by COMPANY, in the case that SUPPLIER makes an alteration to the manufacturing processes of the supply to COMPANY.
2. In the case that SUPPLIER discovers the occurrence of an instance in which a supply to COMPANY, and/or a raw material thereto, etc. violates, or is at risk of violating, this Letter of Agreement, SUPPLIER shall notify COMPANY of such an instance immediately.

Article 5 (Instructions and recommendations, etc.)

In case COMPANY gives an instruction and/or recommendation, etc., based on the provisions of the preceding two articles, SUPPLIER shall promptly take the necessary corrective measure or measures in conformity with the contents of the instruction and/or recommendation, etc., and shall report to COMPANY the results of this corrective measure or measures.

Article 6 (Compensation for damage)

In case COMPANY sustains damage as a result of violation by SUPPLIER of this Letter of Agreement, COMPANY is entitled to demand that SUPPLIER compensates the whole or a part of the damage concerned. Notwithstanding the provision stated above, if a violation occurs in spite of proper

implementation by SUPPLIER of all items demanded by COMPANY, COMPANY and SUPPLIER shall conduct a negotiation or negotiations regarding the liability of SUPPLIER for compensation for the damage that COMPANY sustains.

Article 7 (Repeal or cancellation)

COMPANY has the liberty to repeal or cancel the whole or parts of the order by COMPANY to SUPPLIER in the case where SUPPLIER violates this Letter of Agreement.

Article 8 (Other)

1. In the case that an item is not specified in this Letter of Agreement or there is doubt as to the interpretation of the content of this agreement, such a matter shall be settled through discussion between COMPANY and SUPPLIER.
2. The competent court of jurisdiction for disputes regarding this Letter of Agreement shall be the Tokyo District Court.

To confirm establishment of agreement between COMPANY and SUPPLIER, this document is prepared in duplicate, and representatives of both parties affix their signatures as below, and each party holds one copy thereof.

Date:

COMPANY

SUPPLIER

Given_name Family_name

Given_name Family_name

Manager, Department of Procurement
Toshiba Carrier Corporation
Tadehara 336, Fuji City, Shizuoka Prefecture,
Japan, 416-8451

Title, Position
Company Name
Address

About supplementary explanation

Regarding Article 2 (Guarantee)

The delivered products handled by SUPPLIER have different management contents, such as the designation of parts by COMPANY in advance.

Defined below to prevent omission of quality confirmation on both sides.

Definition of words	Contents
1. Consignment materials	Supplied directly from COMPANY or through the supplier. COMPANY takes quality guarantee.
2. Designated purchase materials	For designated purchase materials instructed by COMPANY to specify the supplier both COMPANY and SUPPLIER takes quality guarantee.
3. Materials purchased by SUPPLIER	For materials purchased by SUPPLIER, SUPPLIER takes quality guarantee.