

## **BASIC PRINCIPLES OF PROCUREMENT**

We hereby comply with each of the matters set forth below with respect to products to be delivered to YKK Corporation. Furthermore, we cause suppliers of materials for products to be delivered and/or contractors manufacturing such products to comply with such matters below.

### Article 1. Compliance with Laws and Regulations

1. We comply with any and all applicable laws and regulations in countries and/or areas where we conduct business activities.
2. We comply with any and all contracts to be made and entered into between you and us.

### Article 2. Fair and Ethical Trade Practice

1. We comply with any and all laws to protect fair trade practices such as the Competition Law, the Against Unfair Competition Law and the Anti-bribery Law.
2. We do not have a relationship with any groups or persons deemed as anti-social forces causing a bad influence on social order and healthy activities. Furthermore, we do not conduct or cause a third party to conduct any acts of violence, fraud, assault, business obstruction and any other illegal acts.
3. We do not infringe any and all intellectual property rights of others.
4. We warrant that the products delivered to you do not contain any minerals produced in conflict zones.
5. We provide consumers and our customers with accurate information relating to our products and services.
6. We develop a definite system for controlling export of technologies and articles regulated by laws and regulations, and carry out adequate export procedures.
7. We take necessary measures to prevent fraudulent actions, and develop a system for discovering such fraudulent actions early and taking necessary measures against them.

### Article 3. Human Rights

1. We respect human rights owned by our employees and customers.
2. We do not cause any children to work.
3. We do not force anyone to work in any way whatsoever such as slavery and apprenticeship.
4. We do not engage in discriminatory treatment in respect of wages, working hours and other working conditions by reason of nationalities, creeds or social statuses of our employees.
5. We respect our employees' rights to organize, to bargain collectively and to act collectively.

#### Article 4. Wages

1. We pay our employees wages not less than the statutory minimum wages specified in applicable laws and regulations.
2. We pay our employees increased wages at the rates specified in applicable laws and regulations for their work exceeding the statutory working hours.

#### Article 5. Working Hours

1. We do not cause in principle our employees to work in excess of hours specified in applicable laws and regulations.
2. We provide our employees with at least 1 day off for every 7 days.

#### Article 6. Safety and Health/Working Environment

1. We secure safety and health of our employees in workplaces (comfortable working environment). We endeavor to prevent injury, disease, disability or death of our employees resulting from an employment-related cause.
2. We install firefighting equipment in workplaces and secure escape routes.
3. We provide our employees with adequate lighting, temperature control and ventilation in workplaces, and prevent noise therein.
4. We prevent sexual harassment and power harassment in workplaces.
5. We provide free for our employees with equipment for securing their safety and health of our employees in workplaces.
6. We provide our employees with facilities necessary for their life, and implement benefit programs in order to develop workplaces where our employees can securely and comfortably work.

#### Article 7. Environment

1. We dispose of waste pursuant to applicable laws and regulations.
2. We comply with any and all laws to prevent environmental degradation such as the Soil Contamination Control Law, the Pollution Control Law and the Air Pollution Control Law.
3. We store hazardous materials in adequate facilities to avoid their hazardous nature to be actualized and mark as hazardous on such materials pursuant to applicable laws and regulations.
4. We construct and adequately operate an environmental management system, and disclose results of our environmental activities as necessary.
5. We continuously endeavor to effectively utilize resources and energy, reduce greenhouse gases emissions and reduce an amount of wastes.

Article 8. Quality and Product Safety

1. We deliver products pursuant to the quality and product safety standards specified by your instruction.
2. We construct and adequately operate a quality management system, and continuously improve the product quality.

Article 9. Information Security

1. We construct a defense system against dangers on computer networks, and adequately operate the system not to cause damage to third parties and us.
2. We construct a management system for personal information and confidential information, and adequately operate the system to prevent such information from being disclosed improperly.

Article 10. Audits

1. We retain documents and electromagnetic records to adequately prove our compliance with the matters set forth in this memorandum of understanding.
2. We allow, upon your request, you to inspect and copy the documents and electromagnetic records set forth in the preceding Paragraph; provided that our business secrets are kept confidential.
3. We allow you or a third party to conduct an audit with respect to us and cooperate with such audit.
4. We have no objection to early termination without any notification of any contracts with you, if we violate any of the matters set forth in this memorandum of understanding.

[Name of Company]

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Name:

Title:

Date: