Microsoft Purchase Order Terms & Conditions

Last revised date: December/2017

1. **Acceptance and Effect.**

   This Microsoft purchase order terms and conditions ("Purchase Order Agreement") is entered into by and between Microsoft Japan Co., Ltd. or Microsoft Development Co., Ltd., as indicated on the face of an applicable purchase order (the "Purchase Order" or "P/O") (hereafter "Microsoft") and the Supplier ("Supplier") who received the Purchase Order with regards to the tangible goods and services ordered by the Purchase Order, and shall become the terms and conditions applicable to the Purchase Order. This Purchase Order Agreement shall be effective and applicable to the Purchase Order from either (i) the date on which Supplier agreed to the terms of the Purchase Order, (ii) the date on which five (5) days have passed (without any objection) from the date of transmission of the Purchase Order, (iii) the date of Supplier's commencement of performance of the matters described in the Purchase Order, whichever comes first. The conclusion of this Purchase Order Agreement constitutes Supplier's agreement under the terms of this Purchase Order Agreement and the relevant P/O to supply to Microsoft:

   (a)   Goods: software and tangible goods ("Goods")

(b) Services: the purchase/ordering of services ("Services")

(c) Deliverables: Any intellectual property ("IP") or other work product developed specifically for Microsoft by Supplier or a subcontractor of Supplier as part of the Services ("Deliverables")

2. **Relationship to Other Agreements.**

The terms and conditions of this Purchase Order Agreement and the P/O are the complete and binding agreement between Microsoft and Supplier except:

(a) If Supplier separately has an effective written agreement or electronic contract in place with Microsoft then the provisions of that written agreement or electronic contract shall be applied, notwithstanding the provisions of this Purchase Order Agreement. For purposes of this Purchase Order Agreement, online terms or agreements that Microsoft accepts to login or access Services, such as a software as a service or platform, is not an agreement that has been "mutually executed" and will not replace, supplement or amend the terms in this Purchase Order Agreement in any way.

(b) If multiple agreements with similar or contradictory provisions could apply to this Purchase Order, the parties agree the terms

most favorable to Microsoft will apply, unless the result would be

unreasonable, unconscionable or prohibited by law.

(c)   The terms of this Purchase Order Agreement and the P/O shall not

be modified or other additional or different terms (for example,

online terms or agreements) shall not be applied except: (i) Order

Changes under Section 8 and the Termination under Sections 13

and 14 or (ii) otherwise contained in a written document signed or

sealed by both parties to this Agreement.

3. **Packing, Shipment and Returns.**

Unless specifically provided in this Purchase Order, the following terms shall

apply:

(a)   Packing

(1) Price based on weight will include net weight only;

(2) Supplier will not charge Microsoft for packaging or pre-shipping

costs, such as boxing, crating, handling damage, drayage, or

storage.

(b)   Shipping

(1) Supplier will mark all delivered goods with necessary handling

and shipping information, Purchase Order number(s), date of

shipment, and names of the consignee and consignor;

(2) An itemized invoice and packing list, and other documentation required for domestic or international transit, regulatory clearance or identification of the Goods or Deliverables will accompany each shipment;

(3) Microsoft will only pay for the quantity received, not to exceed the maximum quantity ordered;

(4) Overshipments will be returned to Supplier. Microsoft or its agent will hold over-shipments at Supplier's risk and expense for a reasonable time awaiting Supplier's shipping instructions;

(5) Microsoft will not be charged for shipping or delivery costs;

(6) Unless otherwise agreed, Goods and Deliverables will be delivered on the 10th day after the Purchase Order date:

i.   FOB to the Microsoft designated delivery location if the Goods and Deliverables originate in the same jurisdiction as the Microsoft designated delivery location; or

ii.   DDP (Incoterms 2010) to the Microsoft designated delivery location for cross border delivery of Goods and Deliverables to the Microsoft designated delivery location; and

(7) Supplier will bear all risk of loss, damage, or destruction to the Goods or Deliverable, in whole or in part, occurring before final acceptance by Microsoft at the designated delivery location. Microsoft is responsible for any loss caused by the gross negligence of its employees before acceptance.

(c)   Returns. Supplier will bear the expense of return shipping charges for over-shipped quantities or rejected items.

4. **Invoices.**

(a)   To the extent that electronic invoicing is available, Supplier will follow that process. MS Invoice https://einvoice.microsoft.com is a web-based application, provided by Microsoft to its payees, which allows payees to submit electronic invoices directly to Microsoft. The MS Invoice tool supports electronic invoice submissions on a one-on-one basis or via mass upload if there are multiple invoices. Payee should contact Microsoft Accounts Payable Help Desk at https://www.microsoft.com/en-us/procurement/contracting-apsupport.aspx and provide a valid justification if unable to submit invoices via this process, as an exception Microsoft will provide an alternative invoice submission process. Invoice must contain the

following information: Purchase Order number, item number,

description of item, quantities, unit prices, extended totals,

packing slip number, shipping, ship to city and state, taxes, and

any other information reasonably required by Microsoft. Supplier

will not charge Microsoft for researching, reporting on or

correcting any errors relating to its invoices. Microsoft may provide

electronic invoicing functionality to Supplier through the use of a

third-party invoicing service provider. In those circumstances,

Supplier authorizes the electronic invoicing provider to receive

Supplier's invoice data not yet constituting an original invoice and

subsequently to apply an electronic signature to the invoice data

to issue electronic invoices "in the name and on behalf of"

Supplier.

(b)   Microsoft may dispute any invoice by providing oral or written

notice or partial payment. Microsoft will make commercially

reasonable efforts to notify Supplier in writing of any disputed

amount within 30 days of receiving the applicable invoice. Neither

failing to provide notice nor payment of an invoice is a waiver of

any claim or right.

5. **Payment Terms.**

Terms of Payment under this Purchase Order Agreement shall be as follows:

(a)   Date of payment: Payment shall be made by the end of the month

following the month in which the account is closed at the end of

the month based on the delivery date. Payment of an invoice will

not constitute acceptance of Goods under this Purchase Order

Agreement, and is subject to adjustment for errors, shortages,

defects or other failure of Supplier to meet the requirements of

this Purchase Order Agreement.

・However, in order to prevent payment delay, please submit an

invoice as soon as possible after delivery.

・Regarding "date of delivery":

・ Where tangible goods (Goods or Deliverables) are delivered,

"date of delivery" shall indicate

(i) the date when delivery of these goods is completed (i.e., the

later of the completion of the delivery of the Goods or

Deliverables, or the completion of the Services provision); or

(ii) if the goods are replaced or corrected pursuant to subsection

7(c), then the date when delivery of the replacement or corrected

goods is completed (i.e., the later of the completion of the delivery of the replacement Goods or Deliverables, or the completion of the Services re-provision).

· Where no tangible goods are concerned, and

(i) performance of the Service continues for longer than one month, or when invoices are calculated and issued by the month, "date of delivery" shall indicate the last day of each month (however, the last day of performance of the service or task shall be the final "date of delivery")

(ii) performance of the Service continues for less than one month, "date of delivery" means the last day of performance of the service or task.

(b) Payment method: Payment shall be made via bank transfer to an account indicated by Supplier in a separate document. (Microsoft shall pay the bank transfer fees.)

Supplier shall bear sole responsibility for all expenses incurred in connection with the provisions of Goods or Services in accordance with the Purchase Order and performance under the terms of this Purchase Order Agreement unless otherwise expressly agreed

between the parties to this Purchase Order Agreement. Payment

of an invoice shall not constitute acceptance of Goods or Services,

and shall be subject to adjustment for errors, shortages, defects or

other failure of Supplier to meet the requirements of this Purchase

Order Agreement.

6. **Taxes.**

Unless otherwise agreed by an agreement signed and sealed by Microsoft, the

prices applicable to each Purchase Order include all applicable Japanese and

international taxes that may arise in connection with each Purchase Order

(collectively "Taxes"). All Taxes shall be stated separately on Supplier's invoice.

Microsoft shall not be liable for any Taxes that Supplier is legally obligated to

pay. Supplier shall indemnify, defend and hold harmless Microsoft from all

Taxes and claims, causes of action, costs (including without limitation

reasonable attorneys' fees) and any other liabilities of any nature whatsoever

related to Taxes. If any Taxes are to be withheld on amounts which would

otherwise be paid by Microsoft to Supplier, Microsoft is authorized to deduct

them and pay them to the appropriate taxing authority in advance.

7. **Inspection and Acceptance.**

(a)   The Goods, the Services and the Deliverables must meet the specifications and requirements in the applicable Purchase Order. Failure on the part of Supplier strictly to comply with such specifications and requirements shall allow Microsoft to cancel the Purchase Order, irrespective of the severity of such failure.

(b)   Microsoft may, at its option, inspect and test the Goods, Services and Deliverables at any place and time, including the period of manufacture prior to final acceptance. If inspection or testing is done by Microsoft at Supplier's premises, Supplier without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of Microsoft's inspectors. No inspection or testing done or not done prior to final inspection and acceptance shall relieve Supplier from responsibility for defects or for other failure to meet the requirements of this Purchase Order Agreement.

(c)   If any item delivered under the Purchase Order is defective in materials or workmanship or otherwise not in conformity with other requirements therein, then Microsoft shall have the right to either (i) reject it and require a replacement, (ii) require its

correction within a specified period of time, (iii) accept it with an

adjustment in price, or (iv) return it to Supplier for full credit

(provided that (iv) shall apply only where Microsoft conducts an

inspection or testing). Any item which has been rejected or

required to be corrected, shall be replaced or corrected by and at

the expense of Supplier promptly after notice. If, after Microsoft's

request, Supplier fails promptly to replace or correct a defective

item within the delivery schedule, Microsoft may, at its sole option,

either (i) replace or correct such item and charge Supplier the cost

occasioned thereby, (ii) without further notice immediately

terminate the Purchase Order for default, or (iii) require an

appropriate reduction in price. (d) Notwithstanding any prior

inspections or payments made, Microsoft may, at its option,

conduct a final inspection and acceptance in respect of Goods,

Services and Deliverables at Microsoft's designated location within

a reasonable time after delivery. Supplier shall keep records of all

inspection work complete and make such records available to

Microsoft upon its request during the term of an agreement under

the applicable Purchase Order and for such further period as

Microsoft may determine.

8. **Order Changes.**

When necessary for Microsoft's reasonable business needs and purposes, and to

the extent permitted under the applicable laws, Microsoft may either, at any

time by written notice to Supplier and without any notice to Supplier sureties,

subcontractors or assignees, suspend Supplier's performance pursuant to the

applicable Purchase Order, increase or decrease the ordered quantities, or make

other changes (each, a "Change Order"). Unless otherwise mutually agreed, a

Change Order does not apply to Goods, Services and Deliverables delivered

complete and on time prior to the date of the Change Order. If any change

causes an increase or decrease in the cost of, or the time required for,

Supplier's performance, reasonable adjustments may be made to the price or

delivery schedule or both.

9. **Tools and Equipment.**

All specifications, drawings, or other documents and data furnished by

Microsoft, and all tools, equipment and material (limited to, specifications,

drawings, tools, dies, metallic molds, fixtures, patterns, molds, electrodes,

punches, artwork, screens, tapes, templates, special test equipment, gauges,

contents, data and software) which have been furnished, paid for or charged

against Microsoft, or which have had their cost amortized, shall remain or

become the property of Microsoft, treated as confidential information, and be

delivered in good condition, normal wear and tear excepted, by Supplier to

Microsoft's designated place under in accordance with Section 3 immediately

upon demand and without cost at Microsoft. Supplier shall not use or have

anyone use said item(s) and information other than for Microsoft without

Microsoft's prior written permission.

10. **Ownership.**

    (a)   Each party will own and retain all rights to its pre-existing IP and

    any IP developed outside of the Goods and Services under this

    Purchase Order Agreement.

    (b)   Solely as to Deliverables: Microsoft will own all Deliverables,

    including all IP rights, all media in any format, hardware, and

    other tangible materials created by Supplier while delivering the

    Services. Any Supplier work which a written or customized product

    or report related to, or to be used in, a Deliverable is regarded as

    IP.

(c)   If Deliverables do not qualify as a work made for hire, Supplier

assigns to Microsoft all right, title, and interest in and to the

Deliverables, including all IP rights. Supplier waives all moral rights

in Deliverables.

(d)   If Supplier uses any Supplier or third-party IP in any Good or

Service, Supplier will continue to own Supplier's IP. Supplier will

grant Microsoft a worldwide, nonexclusive, perpetual, irrevocable,

royalty-free, fully paid up right and license, under all current and

future IP, to use Supplier's and third-party IP consistent with

Microsoft's ownership interests under this Section 10.

(e)   Microsoft IP.

(1)   Supplier may obtain "Microsoft Materials" meaning tangible

or intangible materials (including hardware, software, source code,

documentation, met methodologies, know how, processes,

techniques, ideas, concepts, technologies, and data) provided by

or on behalf of Microsoft or any of its affiliated companies required

for Supplier to perform the Services. Microsoft Materials include

any modifications to, or derivative works of, the foregoing

materials, the trademarks and any data entered into any Supplier

database as part of the Services. Microsoft Materials do not include

Microsoft products obtained by Supplier outside of and unrelated

to this PO.

(2)   Microsoft grants Supplier a nonexclusive, nonsublicensable

(except to approved subcontractors), revocable license to copy,

use and distribute any Microsoft Materials.

(3)   Microsoft retains all other interest in Microsoft Materials and

related IP. Supplier has no right to sublicense Microsoft Materials

except to approved subcontractors as required to perform the

delivery of Goods and Services. If the Microsoft Materials come

with a separate license, the terms of that license will also apply.

(4)   Supplier will take reasonable precautions to protect and

ensure against loss or damage, theft, or disappearance of

Microsoft Materials.

(5)   PO Supplier will promptly return any Microsoft Materials

upon expiration or termination.

(6)   Regarding Supplier's use of Microsoft Materials:

i.   Supplier will not modify, reverse engineer, decompile, or

disassemble Microsoft Materials except as allowed by Microsoft;

ii.   Supplier will leave in place, and not alter or obscure

proprietary notices and licenses contained in Microsoft Materials;

iii.   Microsoft is not obligated to provide technical support,

maintenance or updates for Microsoft Materials;

iv.   All Microsoft Materials are provided "as-is" without

warranty; and

v.   Supplier assumes the risk of loss, damage, unauthorized

access or use, or theft or disappearance of Microsoft Materials in

Supplier's (or subcontractor's) care, custody or control.

(f)   Grant of Rights IP.

(1)   License, Access and Use. Supplier grants to Microsoft and

its affiliated companies (including their employees, contractors,

consultants, outsourced workers, and interns engaged by Microsoft

or any of its affiliated companies to perform services) (i) a

worldwide, irrevocable, nonexclusive, perpetual, paid-up and

royalty free license for any Goods that include software or other IP

not subject to a separate license (including installed applications)

and (ii) a worldwide, nonexclusive, unlimited, paid-up and royalty

free right to access and use, during the term, Services (where

applicable), in each case for Microsoft's business purposes. The

license allows Microsoft to use such software, IP and Services in

connection with Goods. Microsoft may transfer this license if it

transfers the Goods to a Microsoft affiliated company, a Microsoft

third-party service provider, or a successor owner by sale or lease.

(2)   Pass through warranties and indemnities. Supplier assigns

and passes through to Microsoft all of the third-party

manufacturers' and licensors' warranties and indemnities for the

Goods.

(g)   Title to the Goods (other than software) will pass from Supplier to

Microsoft on final acceptance.

11. **Representations and Warranties.**

Supplier represents and warrants that:

(a)   it has full rights and authority to enter into this Purchase Order

Agreement and perform according to the Purchase Order.

Supplier's performance will not violate any agreement or obligation

between Supplier and any third party;

(b)   services will be performed professionally and be of high grade,

nature and quality;

(c)   Supplier will provide to Microsoft all Goods and Services free from

(i) any defects in design, workmanship and materials, (ii) any

liability for royalties, and (iii) any mechanic's liens or any other

statutory lien or security interest or encumbrance;

i.   The Goods, Services, Deliverables and any Supplier IP or

third-party IP provided to Microsoft under this Purchase Order

Agreement:

(d)   Are not governed, in whole or in part, by an Excluded License.

"Excluded License" means any software license that requires as a

condition of use, modification and/or distribution, that the

software or other software combined and/or distributed with it be

(a) disclosed or distributed in source code form; (b) licensed to

make derivative works; or (c) redistributable at no charge; and

ii.   Will not be subject to license terms that require any

Microsoft IP, product, service, or any Supplier IP, or third-party IP

licensed to Microsoft, or documentation which incorporates or is

derived from the Deliverables, to be licensed or shared with any

third party;

(e)   The Goods, Services, Deliverables and any Supplier IP or third-party IP provided to Microsoft under this Purchase Order Agreement will not:

i.   To the best of Supplier's knowledge, infringe any patent, copyright, trademark, trade secret or other proprietary right of any third party; or

ii.   Contain any viruses or other malicious code that will degrade or infect any Goods, product, service, or any other software or Microsoft's network or systems;

(f)   Supplier will comply with all applicable laws, rules and regulations whether local, state, federal or foreign;

(g)   Supplier will comply with U.S. Export Administration Regulations, the International Traffic in Arms Regulations, US Department of Treasury's Office of Foreign Assets Control sanctions programs, and end-user, end-use and destination restrictions by U.S. and other governments as they apply to the Goods and Services and related technology in this Purchase Order, including access to such Goods and Services, which are subject to U.S. and other countries'

export jurisdiction. For additional information, see

http://www.microsoft.com/exporting;and

(h)   Supplier will comply with and train its employees in all applicable

laws against bribery, corruption, inaccurate books & records,

inadequate internal controls and money-laundering, including the

U.S. Foreign Corrupt Practices Act. Supplier will not offer or give

any employee, agent, or representative of Microsoft gratuities to

secure any business from Microsoft or influence such person to

alter the terms, conditions, or performance of any contract with or

order from Microsoft, including but not limited to this Purchase

Order.

12. **Anti-social Forces.**

(a)   Supplier covenants that it (including its major investors, officers

and its equivalents to those) is not an anti-social force (including

an organized crime group, a member of an organized crime, a

member of an organized crime in the last five years, a quasi-

member of an organized crime group, a related company or

association of an organized crime group, a corporate racketeer, or

other equivalent person of any category above; collectively

referred to as "Anti-social Forces"). Supplier shall further represent that it does not deal with, provide funds or benefits to, or otherwise have any relationship with Anti-social Forces, and Supplier covenants it will not in the future have any relationship with Anti-social Forces.

(b)   Supplier covenants it does not and will not, or through the use of third parties, conduct any of the activities involving: (i) a demand with violence; (ii) an unreasonable demand beyond its legal entitlement; (iii) use of intimidating words or actions in relation to transactions; (iv) an action to defame the reputation or interfere with the business of Microsoft (including its affiliates; hereinafter the same) by spreading rumor, using fraudulent means or resorting to force; or (v) other equivalent actions to above.

(c)   Supplier shall covenant that, when using a subsupplier in accordance with Article 19, the subsupplier shall not and will not in the future fall under any of the categories set out in sub-sections (a) and (b) of this Article. In addition, Supplier covenants to ensure it will incorporate such terms into the agreement with the subsupplier which will allow Supplier to terminate or take

necessary steps to terminate the agreement with the subsupplier when it becomes clear that the subsupplier falls under any of the categories set out in sub-sections (a) and (b) of this Article.

(d)   If Supplier is in violation or breach of the foregoing clauses of this Article, Microsoft may terminate this Purchase Order Agreement and any other agreements made between Supplier and Microsoft (if any) without notice to Supplier. If Supplier suffers any damages due to the termination upon such terminations, Microsoft is not required to compensate for or indemnify Supplier from such damages or losses suffered by Supplier. However, if Microsoft suffers any damages or losses due to such terminations, Supplier shall compensate for and indemnify Supplier from such damages suffered by Microsoft.

13. **Termination for Default.**

(a)   It is understood and agreed that time is of the essence under this Purchase Order Agreement. In addition to other provisions hereof, Microsoft, by written notice, may terminate the applicable Purchase Order in whole or in part if Supplier fails (i) to make delivery of Goods or perform Services within the specified date or

delivery schedule, or any extension thereof by written Change

Order or amendment, or (ii) to replace or correct defective Goods

or Services in accordance with this Purchase Order Agreement, or

(iii) to perform any other provision of the applicable Purchase

Order or so fails to make progress as to endanger performance in

accordance with its terms as determined by Microsoft in its sole

discretion.

(b)   In the event of termination pursuant to this section, Microsoft may

procure, upon such terms and in such manner as Microsoft may

deem appropriate, goods or services similar or substantially similar

to those so terminated, and Supplier shall be liable to Microsoft for

any excess costs occasioned Microsoft thereby. However, Supplier

shall continue the performance of the Purchase Order to the extent

not terminated.

14. **Termination for Convenience.**

(a)   Microsoft may terminate for its convenience all or any part of a

certain Purchase Order at any time by thirty (30) days prior notice

given by e-mail, facsimile or other written notice to Supplier

except for Goods and Services delivered on time and in full prior to that date.

(b)   Upon any such termination, Supplier shall, to the extent and at the times specified by Microsoft, (i) stop all work relating to the applicable Purchase Order, and (ii) protect all property in which Microsoft has or may acquire an interest. Supplier shall proceed promptly to comply with Microsoft's directions respecting each of the foregoing without awaiting settlement or payment of its termination claim.

(c)   Upon any termination for convenience as described in sub-section (a) of this Article, Supplier shall promptly and reasonably assess open orders, raw materials, work in process, and sub-assemblies to determine whether or not such items can be used by Supplier for the manufacture of other products or be diverted for any other purpose, and shall correspondingly reduce its terminations claim by the value of such useable items. Microsoft must pay the amount due for articles delivered prior to termination, but only within the following amount: (i) the contract price for all articles completed in accordance with the Purchase Order and not

previously paid for, and (ii) the actual cost incurred by Supplier

under recognized commercial accounting practices.

15. **Privacy and Data Protection.**

    (a)   For the purposes of this section, "Personal Information" means

any information provided by Microsoft in connection with a certain

Purchase Order or collected in accordance with other agreements

by Supplier (i) that identifies or can be used to identify, contact, or

locate the person to whom such information pertains, or (ii) from

which identification or contact information of an individual person

can be derived. Personal Information includes, but is not limited

to: name, address, phone number, fax number, email address,

other government-issued identifier, and credit card information.

Additionally, to the extent any other information (such as, but not

necessarily limited to, a personal profile, unique identifier,

biometric information, and/or IP address) is associated or

combined with Personal Information, then such information also

will be considered Personal Information. "Processing" means any

operation or set of operations that is performed on Personal Data,

whether or not by automated means, such as collection,

recording, organization, structuring, storage, adaptation or

alteration, retrieval, consultation, use, disclosure by transmission,

dissemination, or otherwise making available, alignment or

combination, restriction, erasure, or destruction. "Process",

"Processes" and "Processed" will have a corresponding meaning.

"Personal Data" means any information relating to an identified or

identifiable natural person ("Data Subject"). An identifiable natural

person is one who can be identified, directly or indirectly, in

particular by referencing an identifier such as a name, an

identification number, location data, an online identifier, or to one

or more factors specific to the physical, physiological, genetic,

mental, economic, cultural, or social identity of that natural

person.

(b)   Any Personal Information collected or accessed by Supplier in

relation with this Purchase Order Agreement shall be limited to

that which is strictly necessary to perform the matters described in

the Purchase Order or to fulfill any legal requirements. If the

Services involve the collection of personal information directly from

individuals, such as through a webpage, Supplier will provide a

notice regarding the uses of such Personal Information and

displace a notice where it is clear and conspicuous for the users.

(c)   Supplier shall use such Personal Information only as necessary to

perform the Services in accordance with the applicable Purchase

Order and not for any other purpose whatsoever. Supplier shall

maintain such Personal Information in strict confidence in

accordance with the provisions of Section 22. Supplier will not

share any Personal Information that is collected or possessed by

Supplier with any third parties for any reason except as necessary

to carry out the Service, and only under terms and conditions

substantially similar to those contained in this section. If Supplier

is served with a court order compelling disclosure of any Personal

Information or with notice of proceedings for such an order,

Supplier will notify Microsoft of such order or notice before any

response to the order or notice.

(d)   Supplier will take reasonable steps to protect Personal Information

in Supplier's possession from unauthorized use, access, disclosure,

alteration or destruction. Security measures shall include access

controls, encryption or other means, where appropriate. Supplier

must immediately notify Microsoft of any known security breach that may result in the unauthorized use, access, disclosure, alteration or destruction of Personal Information. Supplier agrees to conduct an audit on at least an annual basis to evaluate the security of Personal Information in Supplier's possession and to verify that the terms of this Agreement with respect to Personal Information are being followed. The results of such audit shall be made available to Microsoft on request.

(e)   Upon request from Microsoft, Supplier shall provide Microsoft with any or all Personal Information in Supplier's possession. Upon termination or expiration of a certain Purchase Order, Supplier shall within ten (10) days thereafter, at Microsoft's sole discretion either (i) provide Microsoft with all documents and materials (including any and all copies) containing Personal Information, together with all other materials and property of Microsoft, which are in its possession or under its control or (ii) destroy all such specified documents and materials (including any and all copies in any and all formats) and provide Microsoft with a certificate of destruction signed by a responsible person of Supplier.

(f)   If Supplier Processes any Personal Data or Confidential

Information as part of performing the Services or providing Goods,

Supplier agrees to: (a) comply with the most current Supplier Data

Protection Requirements ("DPR") available at

http://www.microsoft.com/about/companyinformation/procureme

nt/process/en/us/contracting.aspx, and (b) for Personal Data

Processing, sign Microsoft's separate addendum supplementing

this PO regarding compliance with data protection law, including

the General Data Protection Regulation.

16. **Accessibility.**

Devices, products, websites, web-based applications, or online content

developed for or provided to Microsoft must comply with all legal and Microsoft-

provided accessibility requirements. Supplier developed, provided, or

maintained websites, web-based applications, or online content relevant to the

Services will comply with Web Content Accessibility Guidelines 2.0 Level A and

AA Success Criteria ("WCAG 2.0 AA"). WCAG 2.0, also codified as ISO/IEC

40500:2012, is available at http://www.w3.org/TR/WCAG20/ . An overview of

WCAG is available at http://www.w3.org/WAI/intro/wcag .

17. **Waiver.**

Microsoft's delay or failure to exercise any right or remedy will not result in a waiver of that or any other right or remedy.

18. **Insolvency, Loss of Profits, Damages.**

If any of the events (a) to (g) as listed below befall either party, it shall be considered a serious breach of this Purchase Order Agreement. In no event shall Supplier be entitled to anticipatory profits or to special or consequential damages. (a) Receipt of an order of revocation or cancellation of business from the competent authorities; (b) Falling into a state where bank drafts or checks are denied or cancelled; (c) Provisional attachment, provisional injunction, or compulsory execution originating from a third party; (d) Bankruptcy, civil rehabilitation proceedings, corporate reorganization proceedings, or anything that might result in such outcomes; (e) Resolution of dissolution or merger; (f) Extreme decline in financial situation, or reasonable fear of such decline; (g) Situations in which Microsoft can reasonably be supposed that Supplier or an official, employee or agent of Supplier has committed an illegal act (including illegal use of Microsoft products.); (h) Occurrence or existence of an event which damages or in Microsoft's reasonable judgment would damage Microsoft's reputation; (i) Situations in which Microsoft can reasonably determine that

Supplier is in serious violation or breach of any of its obligations under this Purchase Order Agreement; or (j) Any other cause which would make the party difficult to continue this Purchase Order Agreement.

19. **Prohibition from Subcontracting.**

Upon performing the matters described in the Purchase Order or furnishing any Goods or Services, no subcontracting shall be made by Supplier with any other party without Microsoft's prior written approval in a form designated by Microsoft.

20. **Indemnification.**

Supplier agrees to indemnify, defend and hold harmless Microsoft and Microsoft affiliates companies from and against all claims, demands, loss, costs, damages, and actions for (a) actual or alleged infringements of any third-party intellectual property or other proprietary rights in the use, sales, or re-sale of Goods and Services delivered to Microsoft under the applicable Purchase Order, (b) actual or alleged breach of Section 15 or any Supplier warranty contained under this Purchase Order Agreement, (c) any act or omission of or failure to comply with applicable laws, rules or regulations by Supplier or Supplier's agents, employees, or subcontractors, (d) any breach of confidentiality obligations, (e) the negligent or willful acts or omissions of Supplier or its subcontractors, which

results in any bodily injury or death to any person or loss, disappearance or

damage to tangible or intangible property, , and (f) any claims of its employees,

affiliated companies or subsuppliers regardless of the basis therefor. In each

instance, Supplier's liabilities will include but not be limited to payment of

settlements, judgments, and reasonable attorneys' fees.

21. **Insurance.**

Supplier shall purchase or, if already purchased, maintain, insurance covering

(i) bodily injury and property damage (including automobile liability and

employer's liability) and (ii) liability for infringement of a third party's property

(such as copyright and trademark right) during any work that may be

performed by any employees, agents, or subcontractor of Supplier in connection

with this Purchase Order Agreement. Supplier will maintain either active policy

coverage or an extended reporting period providing coverage for claims first

made and reported to the insurance company within 12 months after

termination or expiration of this Purchase Order Agreement. Upon request,

Supplier will provide Microsoft with proof of the required insurance coverage. If

Microsoft reasonably determines that Supplier's coverage is not adequate,

Supplier will promptly buy additional coverage and notify Microsoft in writing.

22. **Non-Disclosure of Confidential Matters.**

The Confidential Information disclosed by one party to the other party with regards to a certain Purchase Order and Goods and Services shall be kept in strict confidence during the contract term of the Purchase Order and for a period of 5 years following the termination of such term, shall not be disclosed to any third party, and shall not be used for other purposes. The term "Confidential Information" under this Purchase Order Agreement shall mean all non-public information that the party, or an affiliated company of Microsoft, which disclosed such information designates as being confidential, or which, under the circumstances of disclosure ought to be treated as confidential. "Confidential information" includes, without limitation, the terms and conditions of the applicable Purchase Order, information relating to released or unreleased Microsoft software or hardware products, marketing or promotion of any Microsoft product, business policies or practices of Microsoft, customers or suppliers of Microsoft, or information received from others that Microsoft is obligated to treat as confidential. "Confidential information" shall not include information that was known to the other party prior to the Disclosing Party's disclosure to the other party, or information that becomes publicly available through no fault of the other party.

23. **Assignments.**

No right or obligation under the Purchase Order and/or this Purchase Order

Agreement (including the right to receive monies due hereunder) shall be

assigned by Supplier without the prior written consent of Microsoft, and any

purported assignment without such consent shall be void. Microsoft may assign

its rights under the Purchase Order and/or this Purchase Order Agreement at

any time.

24. **Patent License.**

Notwithstanding other conditions stated herein, if Supplier fails in performance

according to the terms of the Purchase Order or this Purchase Order

Agreement, Supplier, without claiming further cost to Microsoft, will grant to

Microsoft an irrevocable, non-exclusive right and license to use, sell,

manufacture, and cause to be manufactured any and all products embodying

any and all inventions and discoveries made, conceived, or actually reduced to

practice by or on behalf of Supplier in connection with the performance of the

Purchase Order or this Purchase Order Agreement.

25. **Applicable Law and Jurisdiction.**

This Purchase Order Agreement and the Purchase Order is subject to and shall

be governed by and construed in accordance with the laws of Japan. The Tokyo

District Court shall have the exclusive jurisdiction over any dispute arising in connection with this Purchase Order Agreement or the Purchase Order. Provided, however, where Goods or Services are provided or to be provided to any Microsoft affiliate in the United States, such as Microsoft Corporation, the laws of the State of Washington shall apply and the courts in the State of Washington shall have the exclusive jurisdiction and the venue.

26. **Publicity; Use of Trademarks.**

Supplier shall not cause or permit to be released any publicity, advertisement, news release, public announcement, or denial or confirmation of the same, in whatever form regarding any aspect of this Purchase Order Agreement or the Purchase Order or the relationship between Supplier and Microsoft, without Microsoft's prior written approval. Supplier shall not use the name, trade name, service marks, trademarks, trade dress or logo of Microsoft in publicity releases, advertising or similar activities without the prior written consent of Microsoft. If written approval is granted, Supplier may only use Trademarks for Services and Deliverables in compliance with the guidelines at http://www.microsoft.com/en-us/legal/intellectualproperty/Trademarks/Usage/default.aspx .

27. **Facility Usage.**

If there is a need for Supplier's employee, agent or subsupplier in charge of any

work under the Purchase Order to access Microsoft's network or other facilities,

Supplier shall, as requested by Microsoft, give such personnel a security training

course or certify to Microsoft that such personnel have completed such a

security training course. The details of the security training course shall be as

designated by Microsoft. When Supplier's employee, agent or subsupplier uses

Microsoft's medical room, healthcare room or other employee service facilities of

Microsoft, Supplier shall pay to Microsoft the cost that Microsoft separately

designates.

28. **Severability, URLs.**

If any court of competent jurisdiction determines that any provision of the

Purchase Order or this Purchase Order Agreement is illegal, invalid or

unenforceable, or if any terms are illegal, invalid or unenforceable under

applicable law, the remaining provisions will remain in full force and effect. URLs

also refer to successors, localizations, and information or resources linked from

within websites at those URLs.

29. **Audit.**

During the term of the Purchase Order or this Purchase Order Agreement and

for 4 years after, Supplier agrees to keep all usual and proper records, books of

account and entries related to its costs and expenses pertinent to the Purchase

Order and this Purchase Order Agreement. During the above referenced period,

Microsoft may audit and/or inspect the applicable records and facilities to verify

statements or invoices issued by Supplier and confirm Supplier's compliance

with this Purchase Order. Any such audit will be conducted by Microsoft

corporate internal audit personnel or by a certified public accountant firm

selected by Microsoft. Supplier agrees to provide Microsoft's designated audit or

inspection team reasonable access to the Supplier records and facilities. If the

auditors determine that Microsoft overpaid Supplier, Supplier will reimburse

Microsoft for any such overcharge. If the audit shows Supplier overcharged

Microsoft by 5% or more during such audit period, Supplier will reimburse

Microsoft for such expenses.

30. **Compliance with the Supplier Code of Conduct and the Supplier**

   Guidelines & Policies.

   Supplier shall conduct the work defined in the Purchase Order with complying

   with the most current versions of the policies and guidelines applicable to

   Microsoft suppliers. The most current version of such policies and guidelines are

   available at:

   (You can select "Japanese" in the language selection field.)

(Microsoft Supplier Code of Conduct) http://www.microsoft.com/en-us/procurement/supplier-contracting.aspx#SupplierCodeofConduct

(Microsoft Supplier Guidelines & Policies)

https://www.microsoft.com/en-us/procurement/supplier-conduct.aspx#tab=2

31. Compliance with the Anti-Corruption Policy for Representatives.

Supplier shall conduct the work defined in the Purchase Order with complying with the most current version of Microsoft Anti-Corruption Policy for Representatives. The most current version of the policy is available at:

(You can select "Japanese" in the language selection field.)

https://www.microsoft.com/en-us/Legal/Compliance/anticorruption/reppolicy.aspx

32. Survival.

The provisions of the Purchase Order or this Purchase Order Agreement which, by their terms, require performance after the termination or expiration or have application to events that may occur after the termination or expiration of the Purchase Order or this Purchase Order Agreement, will survive the termination or expiration of the Purchase Order and this Purchase Order Agreement. All indemnity obligations will be deemed to survive the termination or expiration of this Purchase Order Agreement.