

"Engagement" and "Remedy" Guidelines for Promotion of Responsible Business Conduct and Supply Chains (Text)

Chapter 1. Fundamental Principles of Grievance Mechanisms

Article 1. Necessity of Developing Grievance Mechanisms

In accordance with Principle 29 ("To make it possible for grievances to be addressed early and remediated directly, business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted.") of the United Nations Guiding Principles on Business and Human Rights (hereinafter the "Guiding Principles"), in order to enable grievances to be addressed early and remediated directly, Companies should establish or participate in effective operational (corporate) -level grievance mechanisms for individuals and communities who may be adversely impacted (hereafter the "Grievance Mechanisms")¹.

Article 2. Ensuring Effectiveness of Grievance Mechanisms

Grievance mechanisms that Companies individually or collectively establish should meet eight effectiveness criteria under Principle 31 ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (snip)") of the Guiding Principles: 1) legitimate; 2) accessible; 3) predictable; 4) equitable; 5) transparent; 6) compatible with internationally recognized human rights; 7) a source of continuous learning; and 8) based on engagement and dialogue. Through developing grievance mechanisms, Companies should pay appropriate consideration to vulnerable people such as women, children, persons with disabilities, indigenous people, migrant workers and their families, and national or ethnic minorities, to ensure access to, and gender equality for the users of the grievance mechanisms (hereafter, depending on the context also referred to as the "Complainant") as well as prevention of cumulative damages on the part of the Complainant.

Article 3. Promotion of Responsible Supply Chains and Sustainable Global Supply Chains

In developing grievance mechanisms, Companies should develop a system to enable handling complaints on all the issues related with responsible business conduct addressed under the OECD Guidelines for Multinational Enterprises (hereafter the "OECD MNE Guidelines"), the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (hereafter "the ILO

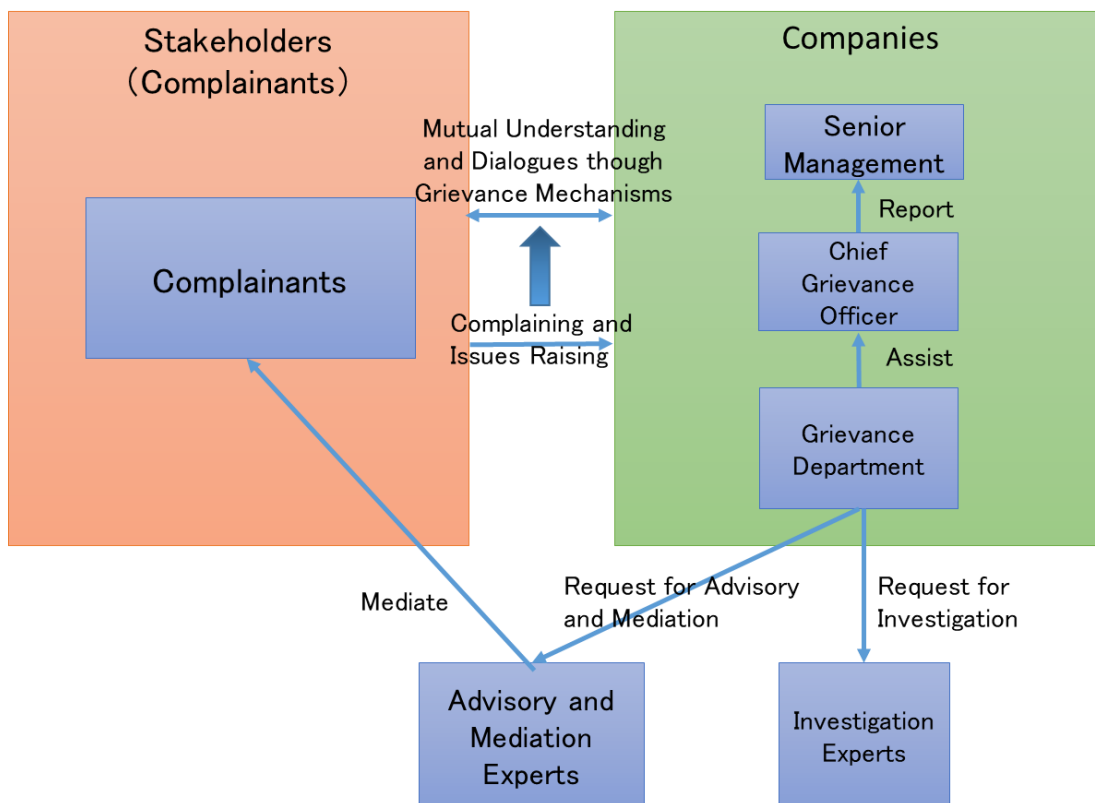
¹ As the Commentary to Principle 29 of the Guiding Principles mentions, Operational-level grievance mechanisms can be important complements to wider stakeholder engagement and collective bargaining processes, but cannot substitute for either. They should not be used to undermine the role of legitimate trade unions in addressing labour-related disputes, nor to preclude access to judicial or other non-judicial grievance mechanisms.

MNE Declaration"), and the Guiding Principles including negative impacts on human rights in the Company's supply chains. As used in the Guidelines, "supply chain" broadly includes value chains and investment chains.

Chapter 2. Development of Grievance Mechanisms in Individual Companies

Section 1. Governance of Grievance Mechanism

Governance of Grievance Mechanism in Individual Companies



Article 1. Chief Grievance Officer

1. Companies should appoint a responsible person (such as, but not limited to Chief Grievance Officer) in order to clarify where the responsibility for the grievance mechanism lies in the Companies.
2. It is desirable for Companies to appoint senior management (including outside directors and outside statutory auditors) in charge of legal, compliance, CSR, and/or sustainability as a Chief Grievance Officer from the viewpoint of timely responding to serious complaints and effectively using the results of complaint handling.

Article 2. Grievance Department

1. Companies should designate a department which is in charge of the grievance mechanism and assists the Chief Grievance Officer (hereafter the "Grievance Department") in order to operate the

grievance mechanism effectively.

2. Companies should secure enough resources (authority, personnel, budget and expertise) for the Grievance Department in order to appropriately respond to complaints. Also, companies should secure enough chance to educate and research to develop and improve expertise for the Grievance Department.

Article 3. Advisory and Mediation Experts

1. In order to ensure the trust and legitimacy of the grievance mechanisms, it is useful for Companies to appoint an Advisory and Mediation Expert for responding to serious complaints. The Advisory and Mediation Experts should advise on each complaint case, from a professional viewpoint independently from the Companies. In accordance with the Guidelines, the Advisory and Mediation Experts should facilitate dialogues between the Companies and the stakeholders who are the users of the grievance mechanism, and propose a resolution for them.
2. If Companies appoint Advisory and Mediation Experts, Companies should choose persons who have expertise and experience in fields related to law, human rights, labor, environment, development, dispute resolution, supply chain management, and other issues related to sustainability.
3. If Companies appoint Advisory and Mediation Experts, the Companies should choose persons who are independent from the Companies.
4. Payment to Advisory and Mediation Experts, in principle, should be based on hourly charges. For example, it's often the case that compensation of using only fame is not appropriate and contingent fees which might be linked to motivation to achieve such companies' expected survey results may harm the neutrality of Advisory and Mediation Experts. Provided, however, that it warrants an exception with an appropriate mechanism.
5. Especially for dealing with serious and complex complaints, it is useful to set up an advisory panel of three or more Advisory and Mediation Experts to have sufficient discussion and much debate to be approved by a majority.

Article 4. Investigation Experts

1. If the basic facts premising the complaint are too serious and complex for the Grievance Department to solely conduct sufficient investigations, or if there is a serious conflict between the Companies and the stakeholders who are the users of the grievance mechanism on the fact premise, it may be useful to request an investigation of the case by 1 independent and external Investigation Expert. In this case, independence of the Investigation Expert is secured according to the preceding Articles 3 and 4. In accordance with the Guidelines, the Investigation Experts should investigate the existence or non-existence of any facts and other related matters.

2. If Companies appoint Investigation Experts, the Companies should choose persons who have expertise and experience in fields related to law, human rights, labor, environment, development, dispute resolution, supply chain management, and other issues related to sustainability.
3. Especially for dealing with serious and complex complaints, it is advisable to set up an investigation panel that is comprised of three or more Investigation Experts to have sufficient discussion and much debate to be approved by a majority.

Article 5. Prevention of Conflicts of Interest, Ensuring of Equitability.

If any Chief Grievance Officer, staff of the Grievance Department, Advisory Expert or Investigation Expert has a special interest in relation to the complaint which the Companies has received, the Company should avoid involving such a person in handling the complaint and set up a mechanism to ensure the equitability, so as to ensure the equitability of the grievance mechanism.

Article 6. Stakeholder Engagement

Companies should regularly conduct a meaningful engagement on the operation (including method of appointment of Advisory, Mediation Experts and Investigators) of grievance mechanism with workers, workers union, workers representatives, civil society, and organizations supporting these stakeholders, which may be users of the grievance mechanism. This is critical for ensuring the reliability of the grievance mechanism.

Section 2. Scope of Grievance Mechanisms

Article 7. Scope of Complaints under the Grievance Mechanism

1. The Company should broadly include complaints about any possible violation of the Company's code of conduct, the Company's procurement guidelines, the OECD MNE Guidelines, the ILO MNE Declaration, or internationally recognized human rights under the Guiding Principles, in addition to cases of any apparent violation of applicable laws, so as to ensure access to remedies.
2. Internationally recognized human rights in the preceding paragraph should be understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work as provisions in the Principle 12 of the Guiding Principles. Also enterprises should respect the human rights of individuals belonging to specific groups or populations that require particular attention, where they may have adverse human rights impacts on them. ²

² United Nations instruments have elaborated further on the rights of indigenous peoples; women; national or ethnic, religious and linguistic minorities; children; persons with disabilities; and migrant workers and their families.

Article 8. Users of Grievance Mechanisms

1. Companies should include broadly stakeholders who claim to have been negatively impacted throughout group entities and supply chains, in addition to those who claim to have been negatively impacted by the Company's own business operations. This is critical for the Company to fulfill its responsibility for respecting human rights throughout the whole company group and supply chains.
2. Companies should include broadly any organization and individual that legitimately supports or represents the stakeholders who claim to have been negatively impacted through the company's business, corporate groups and supply chains, in addition to the stakeholders themselves. This is critical to ensure access to remedies.

Article 9. Relationship with Other Complaints Handling Procedures

In the case a Company maintains complaints handling procedures other than the Grievance Mechanism, such as whistleblower systems and customer claim response systems, the Company may request the users of the Grievance Mechanism to use other systems as long as the complaints can be expected to be handled more effectively through such other systems. Provided that, however, the Companies should respect Chapter 1. "Fundamental Principles on Grievance Mechanisms" even in operating other complaints handling procedures.

Section 3. Ensuring Access to Grievance Mechanisms

Article 10. Dissemination of information on Grievance Mechanism

1. Companies should inform in various ways including its website the stakeholders who may be users of the grievance mechanism, of the existence of the grievance mechanism, the contact points for complaints, and the method of submitting complaints.
2. It is desirable for the Company to intensively inform stakeholders who may be exposed to high risks of being negatively impacted by the Company's activities. The Company should consider disseminating information through the local languages of the stakeholders if necessary.

Article 11. Language of Grievance Mechanism

1. Companies should permit use of the grievance mechanism in English, at minimum, to enable overseas stakeholders to access to the grievance mechanism.
2. If the overseas users of the grievance mechanism cannot use either Japanese or English, it is desirable for Companies to permit the use of local languages of such stakeholders.

Article 12. Confidentiality in Use of Grievance Mechanism

Companies should keep confidential information besides in case of violation of Company's trade secret or privacy and personal information of executives and employees and during the use of Grievance Mechanism by the Complainant (including any organization and individual who legitimately supports or represents the stakeholders, the same as below) when there is a concern that the Complainant may receive any disadvantageous treatment including reprisals due to the use of the Grievance Mechanism.

Article 13. Prohibition of Disadvantageous Treatment including Reprisals

1. Companies should not give any disadvantageous treatment including reprisals (including any disciplinary measure or any action seeking legal liabilities, the same below), against the Complainant, on the basis of filing a complaint.
2. Companies should take appropriate measures so that their officers and employees, their group companies, and their suppliers, do not give disadvantageous treatment, including reprisals, will be targeted at disciplinary measure if in such a case against the Complainant on the basis of filing a complaint.

Article 14. Consideration for vulnerable people

Business enterprises should pay rational attention to vulnerable people such as women, children, persons with disabilities, indigenous people, migrant workers and their families, and national or ethnic minorities, to ensure access to the grievance mechanisms.

Section 4. Operation of Grievance Mechanism Procedure



Article 15. Clarification of Grievance Mechanism Procedure

1. The grievance mechanism procedure is comprised of several stages: receipt of complaints; assessment of complaints; investigation of facts; facilitation of dialogues; presentation of the mediation plan; determination and enforcement of resolution measures; and filing objections to the procedure.
2. In order to ensure the predictability of the users on the grievance mechanism procedure, Companies should disclose in advance the grievance mechanism procedure and the time frame for each stage.

Article 16. Receipt of Complaints

1. Grievance Department should establish a contact point for receiving complaints.
2. In receiving complaints, it is desirable for Grievance Department to take effective measures to enable the users of the grievance mechanism to submit their complaints easily. Such measures should include preparing complaint submission forms and providing various methods of submitting complaints as well as considering the matters set out in the Section 3.
3. When Grievance Department receives a complaint, it should promptly notify the Complainant of the receipt of the complaint and should explain the flow of the subsequent procedure to the extent possible.

Article 17. Assessment on Scope of Complaints

1. When Grievance Department has received a complaint, it should assess whether the complaint is within the scope of provision in this Chapter, Article 7 of the grievance mechanism.
2. To ensure access to the grievance system, even if there is any lack of information in the complaint, Grievance Department should rectify such insufficiency by seeking information from the Complainant.
3. Even if Grievance Department finds that the received complaint is outside the scope of the grievance mechanism, it is desirable for the Grievance Department to explain its findings and cooperate with the Complainant to access to appropriate complaints handling procedures to the extent possible.

Article 18. Assessment on Materiality of Complaints

1. It is useful for Grievance Department to assess the materiality of the received complaints, based on a risk-based approach. Such risk classification should be based on the materiality of negative impacts on human rights with respect to each complaint. It is also beneficial to refer to the results of human rights due diligence which the Company has conducted in assessing the materiality of complaints.
2. It is desirable for Companies to take a more prudent approach to complaints of a serious nature, the risks of which are assessed as high. The prudent approach may include organizing an Advisory panel, conducting an intensive and detailed investigation, and reporting to the senior management.
3. In assessing the materiality of complaints, it is desirable for Grievance Department to obtain advice from Advisory and Mediation Experts in order to ensure the objectiveness and credibility of the assessment.

Article 19. Engagement of Advisory and Mediation Experts

Companies should involve the Advisory and Mediation Experts from the early stages of the grievance mechanism procedure in order to facilitate dialogues between the Complainant and the Companies to appoint Advisory and Mediation Experts.

Article 20. Investigation of Facts

1. When Companies have received complaints, Grievance Department should investigate the existence or non-existence of any misconduct and other relevant matters which are the subject of the complaints by inquiring with the Complainant and Affiliates (company Affiliates include the Company and its officers, employees, group companies, and suppliers. The Complainant and the Affiliates subject to the complaints shall be hereinafter collectively referred to as the “Parties”.)
2. If there is any unclear matter or any dispute regarding the received complaint, Grievance Department should request the Complainant to submit any materials to evidence the complaint.
3. If the complaints are too serious and complex for Grievance Department to solely investigate or if there is any serious conflict over the basic facts of the complaints between the Company and the Complainant, the Company should consider requesting Investigation Experts for investigation.
4. Companies should make efforts that the Complainant who does not wish to disclose his/her privacy or personal information not to be identified by investigation of the facts.
5. Companies should pay attention not to occur the secondary damage to the Complainant by investigation of the facts.
6. It is desirable for Grievance Department to receive advice from Advisory and Mediation Experts with respect to the investigation method and the appointment of Investigation Experts in order to ensure the objectiveness and credibility of the investigation.

Article 21 Facilitation of Dialogues

1. Grievance Department should facilitate dialogues between the Parties so that they can reach an agreement for complaint resolution.
2. If Companies have appointed Advisory and Mediation Experts, it is desirable for Advisory and Mediation Experts to take a lead in facilitating dialogues between the Parties with the assistance of Grievance Department in order to ensure the trust and legitimacy of the grievance mechanism.
3. When Advisory and Mediation Experts and Grievance Department facilitate dialogues between the Parties, they should encourage the Parties to seek remedial measures which conform to internationally recognized human rights.
4. When Advisory and Mediation Experts and Grievance Department facilitate dialogues between the Parties, they should encourage the Parties to seek constructive and practical measures for remedial which would mutually benefit the Parties in the medium and long term, without regard for their positions and claims.

Article 22. Proposal of Mediation Plan for Complaint Resolution

1. If the Parties cannot reach any agreement despite dialogue, Grievance Department should propose a mediation plan for complaint resolution.
2. If Companies have appointed Advisory and Mediation Experts, Advisory and Mediation Experts should propose a mediation plan for complaint resolution from a professional viewpoint independently from the Companies, with the assistance of Grievance Department in order to ensure the trust and legitimacy of the grievance mechanism.
3. When Advisory and Mediation Experts and Grievance Department of Companies propose a mediation plain for complaint resolution, they should ensure that the mediation plan conforms to internationally recognized human rights.
4. When Advisory and Mediation Experts and Grievance Department of Companies propose a mediation plan for complaint resolution, they should seek to constructive and practical measures for complaint resolution which would mutually benefit the Parties in the medium and long term.

Article 23. Determination of Remedial Measures

1. If the Parties agree on complaint resolution through the facilitation of dialogues set out in Article 21, Companies should determine the remedial measures based on the contents of the agreement.
2. If Advisory and Mediation Experts and Grievance Department of Companies propose a mediation plan for complaint resolution set out in Article 22, Companies should determine the remedial measures by respecting the proposed mediation plan.
3. When Companies determine the remedial measures, Grievance Department of Companies should notify the Complainant of such determination without delay.

Article 24. Implementation of Remedial Measures

1. Companies should designate a person associated with the Companies who is responsible for the implementation of the remedial measures in order to ensure the implementation of the remedial measures.
2. Grievance Department of Companies should request the person in charge of implementation of the remedial measures to regularly report on the implementation status of the resolution measures.
3. Grievance Department of Companies should regularly notify the Complainant of the implementation status of the complaint remedial measures as necessary.

Article 25. Objection Procedures

1. The Company should not hinder the Complainant from objecting outside the Company to the remedial measures proposed by the Company. Objection procedures outside the Company may

include judiciary dispute resolution procedures and the national contact point for OECD Guidelines for Multinational Enterprises.

2. The Company may consider establishing an appeal procedure for remedial measures inside the Company, as necessary, in order to increase the trust and legitimacy of the grievance mechanism and to further ensure access to remedy.

Section 5. Ensuring Transparency of Grievance Mechanism

Article 26. Information Disclosure

1. Grievance Department should regularly explain to the Complainant by recording the progress of handling the complaint.
2. Grievance Department should broadly disclose to stakeholders the status of operation of the grievance mechanism, including the analyses and statistics of the entire system and the situation of handling individual cases, to the extent possible.

Article 27. Protection of Privacy and Personal Information

Companies should protect the privacy and personal information of Complainants and other related persons as the executives and employees or its trade secret when disclosing the information of the grievance mechanism based on the preceding article. For example, Companies should ensure that any Complainant that does not wish to disclose any private or personal information will not be identified when disclosing the information of the grievance mechanism.

Article 28. Relationship with Attorney Client Confidentiality Privilege

In parallel with operating the grievance mechanism, if necessary, Companies may independently investigate and handle complaints by engaging their attorneys and by properly exercising their attorney-client confidentiality privilege (hereinafter referred to as the “Privilege”) in communicating with their attorneys. Provided that, however, Companies should not unreasonably refuse to disclose and explain the complaint handling status to the stakeholders based on the Privilege in the circumstance where there is no risk of harming the Privilege.

Section 6. Audit, Improvement, and Learning of Grievance Mechanism

Article 29. Audit of Grievance Mechanism

1. Companies should conduct internal audits who can properly check compliance and effectiveness regularly and external audits as necessary on the operation of the grievance mechanism, from the viewpoint of the effectiveness criteria set out under the Principle 31 of the Guiding Principles the

Guidelines that embody the effectiveness criteria.

2. In conducting audits on the grievance mechanism, Companies, should focus intensively on the matters on which stakeholders show concern based on feedback from engagement and dialogues under Article 6.

Article 30. Improvement of Grievance Mechanism

The Chief Grievance Officer of Companies should regularly review the grievance mechanism and improve it based on the results of the engagement and dialogues with the stakeholders under Article 6 and the audits under Article 29.

Article 31. Learning from Grievance Mechanism

1. Grievance Department should promptly report to the senior management and related departments if the received complaint is serious, and should encourage them to appropriately respond to the complaint in order to remediate human rights abuse and to prevent the expansion of corporate scandals. Grievance Department should report to the board if the received complaint is particularly serious.
2. Grievance Department should regularly report to the senior management and related departments on the status of operation of the grievance mechanism, and should encourage them to use the information learned through the operation of the grievance mechanism in order to effectively conduct human rights due diligence (hereinafter referred to as "HRDD ") and to prevent the occurrence of corporate scandals.
3. In addition to the improvement stated in preceding Article, Grievance Department should regularly share with the senior management the challenges for the Companies learned through the operation of the grievance mechanism. The senior management should also seek to make proactive efforts to overcome the challenges.
4. Companies should train and educate their executives and employees, their group companies, and their suppliers to use the information learned through the operation of the grievance mechanism in order to improve practical operations of engagement and remedy for Promotion of Responsible Business Conduct and Supply Chains.

Chapter 3. Handling Complaints in Supply Chains

Article 1. Key Perspectives in Handling Complaints in Supply Chains

When dealing with complaints about suppliers' behavior in the supply chains, Companies should take the following three perspectives into consideration.

(1) Need for Access to the Grievance Mechanism

Companies should take appropriate steps to ensure that stakeholders have access to their grievance mechanisms, even if the actions of suppliers in the supply chain have a negative impact on their stakeholders.

(2) Need for effective investigation and exercise of leverage to resolve complaints

Companies should investigate the negative impacts arising from the suppliers' actions against stakeholders and should endeavor to correct problems.

(3) Need for collaboration with suppliers in complaint handling

Complaints about supplier practices often result from structural problems throughout the supply chain; Companies should avoid simply imposing responsibility on specific suppliers and excluding them from the supply chain. Rather, Companies should handle complaints in collaboration with the overall supply chain.

Article 2. Ensuring Access to the Grievance Mechanism

1. Companies should include problems in the supply chain as well as stakeholders that claim negative impacts arising from supplier actions within the scope of the Grievance Mechanism.
2. Because stakeholders in the supply chain often do not know about the existence of a company's grievance mechanism, Companies should seek cooperation from suppliers and disseminate information on their grievance mechanisms.
3. Companies should take appropriate measures such that suppliers do not retaliate against or treat complainants disadvantageously solely on the grounds that such complainants lodged complaints (including organizations and individuals that legitimately support or represent complainants).
4. Since stakeholders in the supply chain often have difficulty accessing the company's grievance mechanism, it is desirable to take steps to facilitate access, as necessary, while seeking cooperation from suppliers.
5. It is useful for Companies to disclose the information of Supply Chains within the realm of possibility, in order to make it easy for stakeholder in Supply Chains to secure access for grievance and problem resolution mechanisms.

Article 3. Effective Investigation and Exercise of Leverages to Resolve Complaints

1. Given that complaints in the supply chain may be more extensive than direct complaints to the

company, Companies should review the severity of the complaint and respond accordingly to high risk.

2. Given that fact-finding studies on supply chain issues can be more difficult and complex than immediate problems, Companies should conduct investigations, as appropriate, with the cooperation of suppliers, stakeholders, experts, and others.
3. Companies should take steps to increase their leverage, even if they do not have sufficient leverage to urge the supplier to take action to resolve the complaint. Examples of ways to increase leverage may include collaborating with other stakeholders.
4. Companies should regularly audit the implementation of remedial measures by target suppliers.
5. Companies should consider introducing a contractual provision which legally obligates suppliers to cooperate with the operation of the Grievance Mechanism.

Article 4. Joint efforts with suppliers in handling complaints

1. Companies should not unilaterally impose responsibility on suppliers for handling complaints in the supply chain, but collaborate with suppliers.
2. Companies should emphasize two-way communication with suppliers in dealing with complaints in the supply chain, and through such communication seek constructive and practical remedial measures that will benefit Companies, suppliers and stakeholders in the medium to long term.
3. Companies should not immediately dissolve business relationships with suppliers and exclude them from the supply chain, even if there are stakeholder complaints about suppliers' conduct and problems are known, unless there are special circumstances such as extremely serious human rights abuses. Companies should request the supplier remedial measures and consider dissolving the business relationship only when such supplier fails to comply.
4. Companies should fully explain the need for complaint resolution to suppliers and provide incentives (there can be provided a proposal of better deal, but not be limited to) for supplier to support for capacity building, as appropriate, when encouraging the suppliers to take action to resolve complaints.
5. Companies should consider introducing a contractual provision to ensure communication with suppliers in contracts with suppliers (see Article 5) in order to legally ensure collaboration with suppliers in complaint handling.

Article 5. Model Grievance Mechanism Clause in Supply Chain Agreements

(Clause for Grievance Mechanism)

1. Purpose of this Clause

Buyer and Supplier agree to this clause in the interest of promoting constructive dialogue with stakeholders through the supply chain and working together to ensure access to human rights

remedies.

2. Implementation and Cooperation of Complaint Processing

Supplier will properly handle stakeholder complaints regarding sustainability issues, such as negative impacts on human rights in its own business and supply chains (widely including suppliers of each stage) (the "Complaints") and will cooperate with Buyer in handling the Complaints.

The content of Supplier's collaboration with Buyer in handling the Complaints shall include the following, but not limited to.:

- (1) Implement measures to facilitate stakeholder accessibility, such as cooperating with the Buyer to widely disseminate the complaint handling system to be developed or used, at the request of the Buyer.
- (2) Not to treat the complainant (including organizations or individuals who duly support or represent the complainant) in a disadvantageous manner, such as retaliation, on the grounds that the complainant has filed a complaint against the Buyer, or to have a third party to do so;
- (3) In order to cooperate with the Buyer in investigating the facts of the Complaints, the Buyer shall be provided with the required information and the Buyer shall be inspected and audited at the request of the Buyer.
- (4) Determine appropriate grievance mechanisms measures with respect to the Complaints at the request of the Buyer.
- (5) Report to the Buyer on the status of implementation of complaint resolution measures and accept audits by the Buyer with regard to the Complaint at the request of the Buyer.

3. Consultation for Resolution of Complaints

In resolving the Complaints, Buyer and Supplier shall hold consultations in good faith with a view to seeking constructive and practical complaint resolution measures that will benefit Buyer, the Supplier and stakeholders from a medium-to long-term perspective.

4. Remedial Action Request

If the Supplier is found to have violated Paragraph 2, the Buyer may request the Supplier for remedial action. The Supplier shall submit to the Buyer, within [] months from the date of receipt of such remedial action request from the Buyer, a report setting out the reasons for such violation and the plan for its remediation, and correct such violation within a reasonable time.

5. Termination

Notwithstanding the Buyer's demand for remedial action against Supplier as set forth in the preceding paragraph, if the Supplier fails to remedy the breach of Paragraph 2 within a reasonable

period of time and as a result, a material breach of such provision continues, the Buyer may terminate the Master Transaction Agreement or Individual Contracts in whole or in part. Provided, however, that this shall not apply if there are justifiable grounds for the failure of the Supplier to correct such breach.