

Test Rite Supplier Norms

[Applicable to Foreign Suppliers of Test Rite's Physical Channels in Taiwan]

1. Product Liability Insurance

(1) Supplier must procure and maintain, at its expense, product liability insurance against third-party claims at all times during the contractual term. The coverage for such insurance shall be no less than

(i) NT\$6,000,000 (or the equivalent in foreign currency) for bodily injury per person, (ii) NT\$12,000,000 (or the equivalent in foreign currency) for bodily injury per occurrence, (iii) NT\$4,000,000 (or the equivalent in foreign currency) for property damage per occurrence, and

(iv) NT\$32,000,000 (or the equivalent in foreign currency) in aggregate.

(2) Within ten (10) days after the effective date of the product liability insurance, and thereafter from time to time upon Test Rite's request, Supplier shall provide to Test Rite a certificate issued by the insurance company showing that all insurance coverages set forth in this article are currently in full force and effect. Such insurance shall not be canceled or altered without a prior written notice to Test Rite at least thirty (30) days in advance. The insurance and the certificate must name Test Rite as the additional insured, and Supplier shall allow Test Rite to claim against the insurance company under Test Rite's name.

(3) The product liability insurance stated under this article is separate and in addition to the insurance purchased by Supplier in the course of delivery of the goods. The product liability insurance is maintained against claims brought by third parties against Supplier or Test Rite with respect to the alleged defects in the goods.

(4) Should Supplier fail to maintain or procure the product liability insurance, Test Rite will have the right to make a fixed deduction of 0.11% from the purchase price of the goods for Test Rite's insurance purposes.

2. Supplier's Issuance of Invoices

Supplier's invoice shall contain the following:

(1) supplier's name and invoice date;

(2) relevant purchase orders or other authorization documents;

(3) separate descriptions, unit prices and quantities of the goods actually delivered

(4) amount of credit (if applicable);

(5) where applicable, the payee's name, title, phone number and complete mail address; and

(6) any other substantial document or information as may be reasonably required by Test Rite from time to time. Notwithstanding any printed terms or conditions on Supplier's invoices, the terms and conditions hereof shall be superseding and applicable to all invoices issued by Supplier, except that the parties mutually agree in writing otherwise.

Upon Test Rite's request, Supplier shall immediately provide documents and certificates related to the goods for the purpose of tax matters.

3. Supplier's Corporate Social Responsibility

(1) Supplier shall fully implement and perform its corporate social responsibility and assist Test Rite in performing the corporate social responsibility, including promotion of corporate governance, development of sustainable environment, protection the public interest, etc.

(2) Supplier shall focus on the design or research and development of the goods and comply with the safety of consumers' use.

(3) Supplier's factory shall be certified by the government authority to ensure the legal compliance of its factory management and the manufacturing process and will be subject to regular examination.

(4) The work environment shall avoid causing bodily harm or any violation of human rights, including appropriate wages to workers, no child workers, no excessively long hours and no racial discrimination, and Supplier shall provide healthy and safe work environment.

(5) Supplier understands that impact of the manufacturing process to the environment has become more important. Supplier shall make its best efforts to create a sustainable environment and undertakes to perform the following:

(i) Supplier shall cooperate with the government's promotion of carbon reduction policies and work with Test Rite in promoting the concept of energy efficiency and environmental protection to the consumers through green goods.

(ii) Supplier shall take substantive measures to reduce pollution from the manufacturing process, such as control of the factory's emissions, removal of harmful chemical substances in the goods and reduction of carbon emissions.

(iii) The Supplier shall avoid causing harm to the surrounding environment of its factory.

(iv) The package of the goods shall, to the extent possible, be simple and be composed of recyclable materials.

(v) The source of wood for wooden goods, including goods only partially made out of wood, such as the handle of a paintbrush, shall be taken from known and well-managed woods regions.