

THE GUIDELINE ON ISSUE AND RECEIPT OF ORDERS

(Under the provisions of Article 3 of the MASTER SUPPLY AGREEMENT (hereinafter referred to as the “AGREEMENT”))

1. PURPOSE OF THE GUIDELINES

The purpose of these Guidelines is to achieve the smooth and appropriate issue and receipt of orders for the Products.

2. APPLICATION OF THE GUIDELINES

These Guidelines apply to the issuance, addition, amendment and cancellation of orders for the Products.

3. PROCEDURES OF ISSUE OF ORDERS

3-1 Monthly Regular orders

Monthly Regular orders will be placed with SUPPLIER by PURCHASER in its sole discretion in writing by any means of written communication including telex, cable, email, or the Electronic Data Interchange (“EDI”) process (“Monthly Regular Orders”).

Such Monthly Regular Orders will be placed by PURCHASER with SUPPLIER by the deadline prescribed below, and contain the information of firm quantity, forecast quantity, and delivery deadline as prescribed below:

Deadline for Placement of Monthly Regular Orders

Monthly Regular Orders are to be placed by PURCHASER with SUPPLIER according to the order deadline (“Order Deadline”) that is prescribed in the Monthly Order Time Chart (“MOTC”). PURCHASER and SUPPLIER may agree in writing on an Order Deadline for a Monthly Regular Order that is not prescribed in the MOTC.

Contents of Firm Quantity / Forecast Quantity

The Monthly Regular Order shall set out the:

- (i) the Firm Quantity / Firm Order, i.e. the quantity of Products for which the estimated time of departure from the shipping country’s port is

within the month after the month in which the Monthly Regular Order has been issued.

- (ii) the Forecast Quantity / Forecast Order, i.e. the quantity of the Products for which the estimated time of departure from the shipping country's port is within the month that is two (2) months after the month in which the Monthly Regular Order has been issued.

Delivery Deadline for Products

The delivery deadline for the Firm Order will be determined according to the delivery deadline that is prescribed in the MOTC. PURCHASER and SUPPLIER may agree in writing on a delivery deadline for the Firm Order that is not prescribed in the MOTC. The SUPPLIER may also request PURCHASER to change a delivery deadline prescribed in the MOTC within three (3) business days after SUPPLIER's receipt of a Monthly Regular Order. In the event that PURCHASER fails to respond within three (3) business days to such request from SUPPLIER, such request shall be deemed to have been accepted by PURCHASER.

In the event that the Firm Order exceeds the most recent Forecast Order for a given month, the quantity of Products SUPPLIER must still deliver to PURCHASER on time shall be not less than 130% of the most recent Forecast Order provided for that given month. To illustrate, if the most recent Forecast Order for January is for 1,000 pieces of Products, and the Firm Order for January is for 1,500 pieces, SUPPLIER is obliged to deliver to PURCHASER at least 1,300 pieces of Products.

If any Products cannot be delivered to PURCHASER within the delivery deadline that is prescribed in the MOTC, SUPPLIER shall promptly provide written notification to PURCHASER of the same at least three (3) calendar days before the Order Deadline by means of a notification sheet provided separately by SUPPLIER. If SUPPLIER fails to do so, SUPPLIER agrees to bear all costs and expenses incurred by PURCHASER in mitigating the effects of SUPPLIER's default above, including but not limited to costs incurred in (i) the use of expedited shipping (including air freight) or other logistic and warehousing solutions, and (ii) the arrangement of additional labor and/or labor shifts.

3-2 Additional orders

PURCHASER may, in its sole discretion, issue an additional order for Products from the SUPPLIER from time to time.

3-3 Emergency orders

PURCHASER may, in its sole discretion, issue an emergency order for Products from the SUPPLIER from time to time. SUPPLIER is obliged to use its best endeavours to fulfil such orders and must in any event propose the nearest delivery date for the earliest shipment arrangement of such orders.

4. PROCEDURES OF CANCELLATION OR AMENDMENT OF FIRM ORDERS BY PURCHASER

4-1 PURCHASER may, with SUPPLIER's consent, amend or cancel Firm Orders for the Products.

4-2 In the event that (i) SUPPLIER has already produced the Products under the Firm Order that has been amended or cancelled by PURCHASER, and (ii) SUPPLIER is unable to divert these Products to some other purpose or resell these Products to a third party, PURCHASER shall compensate SUPPLIER for such Products.

4-3 SUPPLIER may claim from PURCHASER the reasonable expenses incurred by SUPPLIER as a result of PURCHASER's cancellation of or amendment to a Firm Order.

5. SPECIAL EXPENSES

5-1 In the event that a change of design (including a change of material or specifications) is necessary for any Product, PURCHASER and SUPPLIER shall consult each other on the changes to be made.

5-2 SUPPLIER shall, in principle, bear the expenses etc. incurred by PURCHASER due to SUPPLIER's default of delivery by the delivery deadline agreed between the parties.

6. DOCUMENTATION

6-1 The SUPPLIER is obligated to ensure all supporting documentation for shipment arrangement is available, accurate and provided to the PURCHASER at least seven (7) business days before departure of cargo from the port of discharge. The supporting documentation shall include but is not limited to Supplier Invoice document, Supplier Packing List, Bill of Lading and Delivery Note.

6-2 In the event that the PURCHASER requires the freight forwarder ("FORWARDER") to provide the Certificate of Origin ("COO") documentation, the SUPPLIER shall use its best endeavours, including but not limited to liaising with the relevant

parties such as FORWARDER, to ensure that the COO documentation is provided to the PURCHASER.

- 6-3 In the event that a shipment does not conform to the delivery deadline as set out in the MOTC, SUPPLIER is obligated to provide information and official supporting documentation to explain the duration of, and the reasons for the delay. SUPPLIER shall also provide suggestions and alternatives to minimize the impact of the delayed shipment.

7. PRODUCTION CAPACITY

- 7-1 SUPPLIER shall, by means of notification sheet provided separately by SUPPLIER, notify PURCHASER of the Products for which a problem in supply might occur, including but not limited to problems associated with the start of production of a new Product or the shortage of molding dies or molding capacity or labor for assembly.

- 7-2 SUPPLIER shall maintain the production capacity as guaranteed to the PURCHASER during the annual capacity confirmation.

8. OTHERS

- 8-1 The Guidelines set out the general obligations and responsibilities of the SUPPLIER and PURCHASER.

- 8-2 The Guidelines may only be amended through a written agreement signed by both parties.

- 8-3 All controversies or differences which may arise out of or in connection with the Guidelines as between the parties hereto, shall be settled in good faith upon consultation between the parties, failing which the parties agree to settle such dispute in accordance with the dispute resolution clause provided under the terms of the AGREEMENT.