

Procurement Guideline for AOS Suppliers

AOS is committed to the highest ethical, environmental and quality standards. AOS conducts business in a manner that is consistent with this guideline and requires the same level of compliance and behavior from all suppliers who are subject to the applicable laws, rules and regulations of the countries where the business is carried out.

This Procurement Guideline, which defines the basic requirements placed on AOS, is also applicable for all suppliers of goods and services as it concerns their responsibilities towards AOS. The focus on the Procurement Guidelines is on Anti-Bribery and Anti-Corruption & Transparency in Supply Chain.

The supplier declares herewith:

Guideline I: Anti-Bribery and Anti-Corruption (ABAC)

A GUIDELINE TO SUPPLIERS

In accordance with applicable laws, regulations and AOS' standards of business conduct, AOS requires that all the suppliers comply with the following requirements.

AOS' EXPECTATION

As a supplier of AOS, Supplier compliance with this Guide is required. Adherence to this Guide is a requirement for maintaining a business relationship with AOS.

FOLLOW ALL APPLICABLE LAWS

AOS requires Supplier to follow "Anti Unfair Competition Law", "Interim Provisions on Forbidden Commercial Bribery", U.S. "Foreign Corrupt Practices Act (FCPA)" and all applicable anti-bribery and anti-corruption laws. Supplier must inform their employees who directly or indirectly, transact business with AOS or on AOS' behalf of their responsibilities to avoid bribery.

UPHOLD AOS' CODE OF BUSINESS CONDUCT AND ETHICS

Under no circumstances may Supplier offer any payment, promise to pay, or authorization to pay any money, gift or anything of value to AOS' employees that is perceived as intended, directly or indirectly, to influence any business decision.

SHARED RESPONSIBILITY

As a supplier of AOS, Supplier shares a responsibility to help prevent bribery and corruption. Supplier is expected to:

- Read, understand and acknowledge the content of this Guide;
- Ensure that Supplier's personnel understand the content, scope and importance of this Guide;
- Contact AOS' Human Resources department for questions or further guidance;
- Comply with Supplier's obligations under this Guide.

If Supplier is aware, or suspect of any improper demand for payment or other related conduct, please e-mail directly to AOS Director of Internal Audit (Internal-Audit@aosmd.com), or reporting to AOS' external independent partner (Website: www.lighthouse-services.com/aosmd, Tel: +1-800-603-2869). AOS and/or AOS external independent partner will protect the reporter's identity and keep all reports confidential unless it is prohibited by applicable laws.

Guideline II: Transparency in Business Conduct

A GUIDELINE TO SUPPLIERS

AOS requires its direct suppliers to certify that materials incorporated into AOS' products comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.

AOS' STANDARDS

AOS requires its direct suppliers to annually evaluate, address, verify and self-certify that they, as well as the suppliers' first tier suppliers, comply with all applicable laws including:

- Eradication of human trafficking and slavery including forced, bonded, indentured, involuntary convict or compulsory labor, by any of the following means:
 - By means of force, threats of force, physical restraint, or threats of physical restraint to that person or another person;
 - By means of serious harm or threats of serious harm to that person or another person;
 - By means of the abuse or threatened abuse of law or legal process;
 - By means of any scheme, plan, or pattern intended to cause the person to believe that, if that person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint;
- Eradication of illegal child labor, including compliance with all minimum age requirements as determined by applicable local laws and regulations and by not producing goods for AOS with:
 - The sale and trafficking of children;
 - Debt bondage and serfdom;
 - Forced or compulsory labor;
 - Use, procuring, or offering of a child for illicit activities including use in armed conflict or drug trafficking;
 - Work which is likely to harm the health, safety, or morals of children.
- Freedom of Association and Collective Bargaining:
AOS respects the rights of suppliers' workers to organize collectively, in accordance with the local laws. AOS expects our suppliers' employees are free to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly, in each case to the extent permitted under applicable law, while also respecting the rights of workers to refrain from such activities.
- No related party transactions, No fictitious transactions, No deception, No corner-cutting.

AOS expressly reserves the right to conduct surveys and onsite audits of its direct suppliers through AOS' own personnel or through a third party independent auditor to evaluate the supplier's compliance with AOS' standards. Such audits expressly include the ability to interview the supplier's employees, on an announced or unannounced basis.

Kindly respond upon receipt of this notification with a Declaration of Supplier to the standards described above within 10 working days.

Inaccurate Declaration of Supplier and/or failure to comply with the Procurement Guideline for AOS Supplier will be considered a material breach and may result in rejection of products and/or termination of the business relationship with AOS.

Declaration of the Supplier

We hereby declare the following:

1. We have received a copy of the "Procurement Guideline for AOS Suppliers" (hereinafter "Procurement Guideline") and hereby commit ourselves, in addition to our commitments set out in the supply agreements with AOS, to comply with its principles and requirements.
2. We will provide AOS upon request with a written self-assessment as required by AOS within reasonable time after receiving such a request.
3. We agree that AOS or a third party appointed by AOS may carry out inspections (audits) on our premises to verify our compliance with the Procurement Guideline.
4. We confirm that we use best efforts to forward the contents of the Procurement Guideline to our suppliers and require them to meet the principles and requirements of this Procurement Guideline.
5. We commit to respect and comply with AOS' codes of conduct; under no circumstances should we practice unethically or illegally, including but not limited to:
 - Bribing AOS employees and their relatives/family members, directly or indirectly with any form;
 - Un-authorized use of confidential information or illegally acquiring of the proprietary information owned by AOS or its business partners;
 - Trading under a fictitious company;
 - Deception; setting up fraudulent, or false transactions with AOS;
 - Mis-presentation or concealing of related party information;
 - Bid Rigging, Collusion, Phantom Bids, Borrowing licenses for bidding;
 - Cheating on purpose, cutting corners, non-compliance to specification;
 - Other violations of codes for conducting businesses or applicable laws.

In the case of willful misconduct, or upon the occurrence of any events, which constitutes a breach of the codes for conducting businesses with AOS, we agree that AOS has the right to immediately terminate the business relationship without reason or condition, we also acknowledge that AOS holds the right for any legal action against relative laws or regulations that may be subject to prison sentence and/or penalties. In addition, unconditionally we shall be liable to pay and compensate all loss incurred by AOS.

6. We agree that this declaration is subject to the applicable law which is set out in the supply agreement concluded between AOS and Supplier and that, in the event no such agreement is yet established, is subject to the Oregon law in force if any AOS buying entity incorporated in Oregon, is subject to the substantive law in force in California for any AOS buying entity incorporated in the United State of America (except Oregon), Cayman, Bermuda and other European area, is applicable of Hong Kong laws if AOS buying entity incorporated in Japan and Korea and other Asian entities (except China, Taiwan, Hong Kong, Macau), any above applicable laws will be without reference to any of its conflict of law rules.

We will fulfill our declaration with our practices.

Company : _____ Address : _____

Name & Title : _____ Company Seal : _____

Signature : _____ Date : _____