

Report No.: 0164123647a 001

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Client: SHANTOU CITY CHENGHAI DISTRICT ZE CONG PLASTIC TOYS FACTORY

South Side Of Dengfeng Road, Guang Yi Street, Chenghai District, Shantou City, Guangdong Province, China

Test item(s): Toys and material for said item

Identification/ Model No(s): SOFT BULLET GUN SERIES
7001, 7002, 7003, 7004, 7005, 7006, 7007, 7009, 7010, 7011, 7019, 7020, 7021, 7022, 7023, 7024, 7025, 7026, 7029, 7032, 7033, 7035, 7036, 7036A, 7037, 7038, 7039, 7050, 7051, 7052, 7053, 7054, 7055, 7056, 7057, 7058, 7059, 7060, 7061, 7062, 7063, 7065, 7066, 7067, 7068, 7069, ZC7070, ZC7071, ZC7072, ZC7073, ZC7075, ZC7076, ZC7077, ZC7078, ZC7079, ZC7080, ZC7081, ZC7082, ZC7083, ZC7085, ZC7086, ZC7087, ZC7088, ZC7089, ZC7090, ZC7091, ZC7092, ZC7093, ZC7095, ZC7096, ZC7097, ZC7098, ZC7099, ZC7100, ZC7101, ZC7102, ZC7103, ZC7105, ZC7106, ZC7107, ZC7108, ZC7109, ZC7110, ZC7111, ZC7112, 01*20, 02*20, 03*40, ZC04, ZC05, ZC06, ZC08, ZC09, ZC10, ZC11, ZC7104, ZC7113, ZC7114, ZC7115, ZC7116

Sample Receiving date: 2018-03-26, 2018-03-27, 2018-04-19, 2018-04-20, 2018-04-26

Testing Period: 2018-04-02 - 2018-04-28

Test Specification:

Please refer to "Test Result Summary List" on page 2 for details

Other information:

- (1) The provided age grade of the item(s) : For age of over 8 years.
The appropriate age grade of the item(s) : For age of over 6 years.
The item(s) was/ were tested for the age of over 6 years.
- (2) Packaging provided: Artwork
- (3) Received sample size: 25 STYLES X 3 PCS

For and on behalf of
TÜV Rheinland (Shenzhen) Co., Ltd.



Richard Tan/
Senior Testing Engineer



2018-05-02



Lucy Wang/
Senior Technical Executive

Date

Name/Position

Date

Name/Position

*Test result is drawn according to the kind and extent of tests performed.
This test report relates to the a. m. test sample. Without permission of the test center this test report is not permitted to be duplicated in extracts. This test report does not entitle to carry any safety mark on this or similar products.*

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Test Result Summary :

Test Specification:

- 1 ASTM F963-17: Mechanical and physical
- 2 ASTM F963-17: Flammability on solids and soft toys
- 3 ASTM F963-17 Sect. 4.25: Battery-operated toys
- 4 ASTM F963-17 Sect. 4.3.5.1 : Total lead content in paint and coating materials
- 5 ASTM F963-17 Sect. 4.3.5.2 : Total lead content in substrate materials
- 6 ASTM F963-17 Sect. 4.3.5.1 and 4.3.5.2 : Soluble heavy metal

Test result:

PASS (Please see
remark on page 6)

PASS

PASS

PASS

PASS

PASS



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Material List:

Item: SOFT BULLET GUN SERIES
 7001, 7002, 7003, 7004, 7005, 7006, 7007, 7009, 7010, 7011, 7019, 7020, 7021, 7022, 7023,
 7024, 7025, 7026, 7029, 7032, 7033, 7035, 7036, 7036A, 7037, 7038, 7039, 7050, 7051,
 7052, 7053, 7054, 7055, 7056, 7057, 7058, 7059, 7060, 7061, 7062, 7063, 7065, 7066, 7067,
 7068, 7069, ZC7070, ZC7071, ZC7072, ZC7073, ZC7075, ZC7076, ZC7077, ZC7078,
 ZC7079, ZC7080, ZC7081, ZC7082, ZC7083, ZC7085, ZC7086, ZC7087, ZC7088, ZC7089,
 ZC7090, ZC7091, ZC7092, ZC7093, ZC7095, ZC7096, ZC7097, ZC7098, ZC7099, ZC7100,
 ZC7101, ZC7102, ZC7103, ZC7105, ZC7106, ZC7107, ZC7108, ZC7109, ZC7110, ZC7111,
 ZC7112, 01*20, 02*20, 03*40, ZC04, ZC05, ZC06, ZC08, ZC09, ZC10, ZC11, ZC7104,
 ZC7113, ZC7114, ZC7115, ZC7116

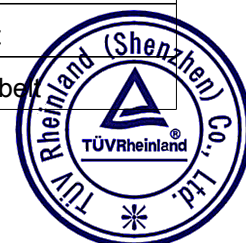
Material No.	Material	Color	Location
M001	Whole Product	Multicolor	SOFT BULLET GUN SERIES
M002	Coating	Black	Words of gun
M003	Coating	White	Patterns and words
M004	Coating	White/ black	Patterns and words
M005	Plastic	Blue	Gun body
M006	Plastic	Orange	Gun body
M007	Coating	Dull metallic silvery	Patterns of gun
M008	Coating	Bright metallic silvery	Patterns of gun
M014	Coating	Light metallic silvery	Patterns of gun
M015	Plastic + printing + paper + adhesive	Transparent/ multicolor/ white	Sticker of bullet clip
M019	Coating	Bright silvery	Patterns of gun barrel
M020	Plastic	Light blue	Gun body
M021	Plastic	Dull blue	Gun body
M022	Plastic	Metallic grey	Frame of gunstock
M023	Plastic	Transparent	LED of gunsight
M024	Plastic	Red	Switch of gunsight
M027	Rubber + Textile	Black	Elastic band of bow
M028	Plastic	Black	Pad of puller of bow
M029	Plastic	Dull grey	Frame of bow and small gun body
M030	Textile	Purple	String of bow
M031	Plastic	White	Bow and gun body
M032	Coating	Multicolor	Patterns of white bow



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M033	Coating	Multicolor	Patterns of blue bow
M034	Plastic	Dull blue	Frame of blue bow
M038	Coating	Deep metallic grey	Patterns of gun
M040	Coating	Multicolor	Patterns of small gun
M041	Plastic	Pink	Small gun body
M042	Plastic	Yellow	Small gun body
M043	Plastic	Dark grey	Tube inside gun
M044	Plastic	Transparent	Bullet clip
M047	Plastic	Red	Gun body
M048	Plastic	Grey	Handle and bullet clip of gun
M049	Coating	Light grey	Patterns of small gun
M051	Metal	Silvery	Screw
M052	Metal	Silvery	Hook of lock of belt
M053	Metal	Silvery	Bolt of lock of belt
M054	Metal	Silvery	Axle of lock of belt
M055	Metal	Silvery	Loop of lock of belt
M056	Plastic	Black	Buckle of belt
M057	Textile	Black	Belt
M058	Plastic	Bright orange	Big bullet head
M059	Plastic	Transparent	Big red bullet head
M060	Foam	Red	Big red bullet
M061	Foam	Yellow	Ball
M062	Plastic	Grey	Bullet head
M063	Foam	Orange	Bullet
M064	Plastic	Dull orange	Suction cup of bullet
M065	Plastic	Bright orange	Blue bullet head
M066	Foam	Blue	Blue bullet
M067	Plastic	Dull purple	Suction cup of bullet
M068	Foam	Purple	Purple bullet
M069	Plastic	Bright purple	Green bullet head
M070	Foam	Green	Green bullet
M071	Rubber + Textile	Blue	Elastic band of belt



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M072	Plastic	Black	Buckle of belt
M073	Plastic	Bright orange	Big bullet head
M074	Plastic	Transparent	Big red bullet head



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1.ASTM F963-17: Mechanical and physical
Test result:

Test No:	T002
Material No:	M001
4. Safety requirements	
4.1 Material Quality (visual check)	Pass
4.7 Accessible edges	Pass
4.9 Accessible points	Pass
4.11 Nails and fasteners	Pass
4.12 Plastic film	Pass
4.18 Holes, clearance and accessibility of mechanisms	Pass
4.21 Projectile toys	Pass
4.30 Toys gun marking	Pass
4.34 Balls	Pass(*)
5. Labeling requirements	
5.2 Age grading labeling	Pass
5.3 Safety labeling requirements	Pass(*)
5.11 Small objects, small balls, marbles and balloons	Pass(*)
5.16 Promotional materials	Pass
6. Instructional literature	
6.1 Definition and description	Pass
7. Producer's markings	
7.1 Name and address of the producer or the distributor	Pass(*)

Use and Abuse Tests:

The submitted samples were undergone the use and abuse tests in accordance with FHSA 16 CFR and whichever is applicable the tested age grade.

Age Category	Impact Test	Flexure Test	Torque Test	Tension Test	Compression Test
0-18 Months 16 CFR 1500.51	10 x 4.5 ft	120 Arc 30 Cycles 10 lbs	2 in-lbs	10 lbs	20 lbs
19-36 Months 16 CFR 1500.52	4 x 3 ft	120 Arc 30 Cycles 15 lbs	3 in-lbs	15 lbs	25 lbs
37-96 Months 16 CFR 1500.53	4 x 3 ft	120 Arc 30 Cycles 15 lbs	4 in-lbs	15 lbs	30 lbs

The clause and/or sub-clause would be indicated only in the test report whichever applicable. The comprehensive result report is available upon request.

Remark:

- * The manufacturer/trader/applicant has confirmed that the above information marked (*) will be modified onto the product itself and/or packaging of the product.
- ^ The manufacturer/trader/applicant has provided the artwork for assessment in this test report.

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2.ASTM F963-17: Flammability on solids and soft toys**Test result:**

	Test No:	T001
	Material No:	M001
4.2 Flammability on solids and soft toys		Pass

The burning rate of the most severe part = 0.04 Inch/sec.

Note: Maximum permissible burning rate = 0.1 Inch/sec.



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3. ASTM F963-17 Sect. 4.25: Battery-operated toys
Test result:

	T001
	M001
4.25 Battery-operated toys	
4.25.1 Battery information	Pass
4.25.2 Maximum potential	Pass
4.25.3 Charging	Pass
4.25.5 Toys with small part battery	Pass
4.25.6 Batteries types or capacities	Pass
4.25.7 Battery surface temperature	Pass
4.25.8 Hazardous condition	Pass
4.25.9 Battery safety instruction	Pass
6. Instructional literature	
6.5 Battery-operated toys	Pass

The clause and/or sub-clause would be indicated only in the test report whichever applicable. The comprehensive result report is available upon request.



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4.ASTM F963-17 Sect. 4.3.5.1 : Total lead content in paint and coating materials

Test method: CPSC-CH-E1003-09.1 (Microwave method)

Test result:

Test No.	Material No.	Test Parameter	Unit	RL	Regulatory Requirement	Test Result
T001	M004 + M007 + M008	Lead Content	ppm	10	90	n.d.
T002	M014 + M019 + M032	Lead Content	ppm	10	90	n.d.
T003	M033 + M038	Lead Content	ppm	10	90	n.d.
T004	M040 + M049	Lead Content	ppm	10	90	n.d.

 Abbreviation: n.d. = Not Detected (< RL)
 RL = Reporting Limit
 ppm = parts per million

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5.ASTM F963-17 Sect. 4.3.5.2 : Total lead content in substrate materials

Test method: CPSC-CH-E1001-08.3 and CPSC-CH-E1002-08.3 (Microwave method)

Test result:

Test No.	Material No.	Test Parameter	Unit	RL	Regulatory Requirement	Test Result
T001	M005 + M006 + M015	Lead Content	ppm	10	100	n.d.
T002	M020 + M021 + M022	Lead Content	ppm	10	100	n.d.
T003	M023 + M024 + M027	Lead Content	ppm	10	100	n.d.
T004	M028 + M029 + M031	Lead Content	ppm	10	100	n.d.
T005	M034 + M042 + M043	Lead Content	ppm	10	100	n.d.
T006	M041 + M067 + M069	Lead Content	ppm	10	100	n.d.
T007	M044 + M047 + M048	Lead Content	ppm	10	100	n.d.
T008	M051 + M052 + M053	Lead Content	ppm	10	100	n.d.
T009	M054 + M055	Lead Content	ppm	10	100	n.d.
T010	M060 + M061 + M063	Lead Content	ppm	10	100	n.d.
T011	M062 + M064 + M065	Lead Content	ppm	10	100	n.d.
T012	M066 + M068 + M070	Lead Content	ppm	10	100	n.d.
T013	M071	Lead Content	ppm	10	100	n.d.
T014	M072	Lead Content	ppm	10	100	n.d.
T015	M073	Lead Content	ppm	10	100	n.d.
T016	M074	Lead Content	ppm	10	100	n.d.

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Abbreviation: n.d. = Not Detected (< RL)
RL = Reporting Limit
ppm = parts per million



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6.ASTM F963-17 Sect. 4.3.5.1 and 4.3.5.2 : Soluble heavy metal

Test method: For paint and similar surface-coating materials: ASTM F963-17 Section 8.3.2 - 8.3.4
Method to Dissolve Soluble Matter for Surface Coatings, Preparation of Test Samples
and Test Procedures

For substrate: ASTM F963-17 Section 8.3.5 Soluble Element Test Method for Substrate
Materials

This requirement applies to the coating and substrate materials which the sample weight
is greater than 10 mg

Test result:

Test No.	Material No.	[mg/kg]								Conclusion
		Sb	As	Ba	Cd	Cr	Pb	Hg	Se	
		Maximum Permissible Limit of Any Toy Materials except Modelling Clay								
		60	25	1000	75	60	90	60	500	
		Maximum Permissible Limit of Modelling Clay								
		60	25	250	50	25	90	25	500	
		RL								
2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5			
T001	M002(*2)	-	-	-	-	-	-	-	-	PASS
T002	M003	n.d.	n.d.	5.6	n.d.	4.8	n.d.	n.d.	n.d.	PASS
T003	M005	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T004	M006	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T005	M007	n.d.	n.d.	2.6	n.d.	3.0	n.d.	n.d.	n.d.	PASS
T006	M008 (58.8mg) (*1)	n.d.	n.d.	n.d.	n.d.	4.1	n.d.	n.d.	n.d.	PASS
T007	M014	n.d.	n.d.	2.5	n.d.	2.5	n.d.	n.d.	n.d.	PASS
T008	M015	n.d.	n.d.	4.8	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T009	M019	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T010	M020	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T011	M021	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T012	M022	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T013	M023	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T014	M024	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T015	M027	n.d.	n.d.	95	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T016	M028	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T017	M029	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T018	M030	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T019	M031	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T020	M032	n.d.	n.d.	4.2	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T021	M033	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T022	M034	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T023	M038	n.d.	n.d.	n.d.	n.d.	13	n.d.	n.d.	n.d.	PASS
T024	M040	n.d.	n.d.	7.0	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T025	M041	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS

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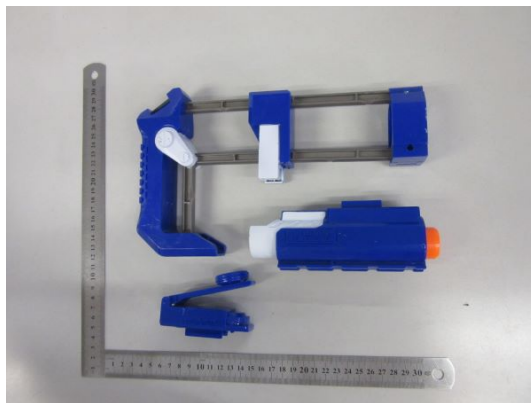
Test No.	Material No.	[mg/kg]								Conclusion
		Sb	As	Ba	Cd	Cr	Pb	Hg	Se	
		Maximum Permissible Limit of Any Toy Materials except Modelling Clay								
		60	25	1000	75	60	90	60	500	
		Maximum Permissible Limit of Modelling Clay								
		60	25	250	50	25	90	25	500	
		RL								
2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5			
T026	M042	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T027	M043	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T028	M044	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T029	M047	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T030	M048	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T031	M049	n.d.	n.d.	2.7	n.d.	3.1	n.d.	n.d.	n.d.	PASS
T032	M056	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T033	M057	n.d.	n.d.	9.9	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T034	M058	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T035	M059	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T036	M060	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T037	M061	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T038	M062	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T039	M063	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T040	M064	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T041	M065	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T042	M066	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T043	M067	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T044	M068	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T045	M069	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T046	M070	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS
T047	M071	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	PASS

Abbreviation: n.d. = Not Detected (< RL)
 RL = Reporting Limit
 mg/kg = milligram per kilogram

Remark:

- *1 The weight of test portion marked (*1) available was less than 100 mg, but greater than 10 mg, so results were calculated as if 100 mg of the sample were available.
- *2 The weight of test portion marked (*2) available was less than 10 mg, the test for soluble heavy metal content was not performed.

Sample Photos



Sample Photos



Sample Photos



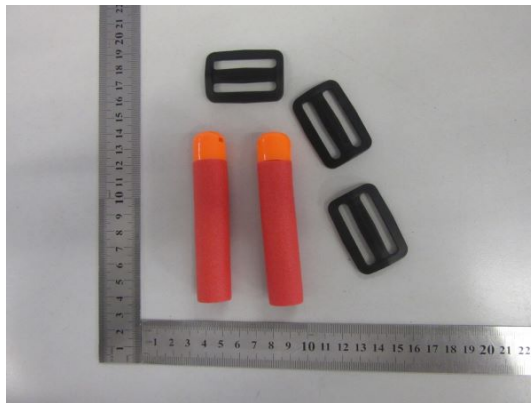
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Sample Photos



Sample Photos



- END -



General Terms and Conditions of Business of TÜV Rheinland in Greater China

1. Scope

1.1 These General Terms and Conditions of Business of TÜV Rheinland in Greater China is made between the client and one or more member entities of TÜV Rheinland in Greater China as applicable as the case may be ("TÜV Rheinland").

1.2 The following terms and conditions apply to agreed services including consultancy services, information, deliveries and similar services as well as ancillary services and other secondary obligations provided within the scope of contract performance.

1.3 Any standard terms and conditions of the client of any nature shall not apply and shall hereby be expressly excluded. No standard contractual terms and conditions of the client shall form part of the contract even if TÜV Rheinland does not explicitly object to them.

2. Quotations

Unless otherwise agreed, all quotations submitted by TÜV Rheinland can be changed by TÜV Rheinland without notice prior to its acceptance and confirmation by the other party.

3. Coming into effect and duration of contracts

3.1 The contract shall come into effect for the agreed terms upon the quotation letter of TÜV Rheinland or a separate contractual document being signed by both contracting parties, or upon the works requested by the client being carried out by TÜV Rheinland. If the client instructs TÜV Rheinland without receiving a quotation from TÜV Rheinland (quotation), TÜV Rheinland is, in its sole discretion, entitled to accept the order by giving written notice of such acceptance (including notice sent via electronic means) or by performing the requested services.

3.2 The contract term starts upon the coming into effect of the contract in accordance with article 3.1 and shall continue for the term agreed in the contract.

3.3 If the contract provides for an extension of the contract term, the contract term will be extended by the term provided for in the contract unless terminated in writing by either party with a six-week notice prior to the end of the contractual term.

4. Scope of services

4.1 The scope of the services shall be decided solely by a unanimous declaration issued by both parties. If no such declaration exists, then the written confirmation of order by TÜV Rheinland shall be decisive.

4.2 The agreed services shall be performed in compliance with the regulations in force at the time the contract is entered into.

4.3 TÜV Rheinland is entitled to determine, in its sole discretion, the method and nature of the assessment unless otherwise agreed in writing or if mandatory provisions require a specific procedure to be followed.

4.4 On execution of the work there shall be no simultaneous assumption of any guarantee of the correctness (proper quality) and working order of either tested or examined parts nor of the installation as a whole and its upstream and/or downstream processes, organisations, use and application in accordance with regulations, nor of the systems on which the installation is based. In particular, TÜV Rheinland shall assume no responsibility for the construction, selection of materials and assembly of installations examined, nor for their use and application in accordance with regulations unless these questions are expressly covered by the contract.

4.5 In the case of inspection work, TÜV Rheinland shall not be responsible for the accuracy or checking of the safety programmes or safety regulations on which the inspections are based, unless otherwise expressly agreed in writing.

5. Performance periods/dates

5.1 The contractually agreed periods/dates of performance are based on estimates of the work involved which are prepared in line with the details provided by the client. They shall only be binding if being confirmed as binding by TÜV Rheinland in writing.

5.2 If binding periods of performance have been agreed, these periods shall not commence until the client has submitted all required documents to TÜV Rheinland.

5.3 Articles 5.1 and 5.2 also apply, even without express approval by the client, to all extensions of agreed periods/dates of performance not caused by TÜV Rheinland.

6. The client's obligation to cooperate

6.1 The client shall guarantee that all cooperation required on its part, its agents third parties will be provided in good time and at no cost to TÜV Rheinland.

6.2 Design documents, supplies, auxiliary staff, etc. necessary for performance of the services shall be made available free of charge by the client. Moreover, collaborative action of the client must be undertaken in accordance with legal provisions, standards, safety regulations and accident prevention instructions.

6.3 The client shall bear any additional cost incurred on account of work having to be redone or being delayed as a result of late, incorrect or incomplete information provided by or lack of proper cooperation from the client. Even where a fixed or maximum price is agreed, TÜV Rheinland shall be entitled to charge extra fees for such additional expense.

7. Invoicing of work

7.1 If the scope of performance is not laid down in writing when the order is placed, invoicing shall be based on costs actually incurred. If no price is agreed in writing, invoicing shall be made in accordance with the price list of TÜV Rheinland valid at the time of performance.

7.2 Unless otherwise agreed, work shall be invoiced according to the progress of the work.

7.3 If the execution of an order extends over more than one month and the value of the contract or the agreed fixed price exceeds €2,500.00 or equivalent value in local currency, TÜV Rheinland may demand payments on account or in instalments.

8. Payment terms

8.1 All invoice amounts shall be due for payment without deduction on receipt of the invoice. No discounts shall be granted.

8.2 Payments shall be made to the bank account of TÜV Rheinland as indicated on the invoice, stating the invoice and customer numbers.

8.3 In cases of default of payment, TÜV Rheinland shall be entitled to claim default interest at the applicable short term loan interest rate publicly announced by a reputable commercial

bank in the country where TÜV Rheinland is located. At the same time, TÜV Rheinland reserves the right to claim further damages.

8.4 Should the client default in payment of the invoice despite being granted a reasonable grace period, TÜV Rheinland shall be entitled to cancel the contract, withdraw the certificate, claim damages for non-performance and refuse to continue performance of the contract.

8.5 The provisions set forth in article 8.4 shall also apply in cases involving returned cheques, cessation of payment, commencement of insolvency proceedings against the client's assets or cases in which the commencement of insolvency proceedings has been dismissed due to lack of assets.

8.6 Objections to the invoices of TÜV Rheinland shall be submitted in writing within two weeks of receipt of the invoice.

8.7 TÜV Rheinland shall be entitled to demand appropriate advance payments.

8.8 TÜV Rheinland shall be entitled to raise its fees at the beginning of a month if overheads and/or purchase costs have increased. In this case, TÜV Rheinland shall notify the client in writing of the rise in fees. This notification shall be issued one month prior to the date on which the rise in fees shall come into effect (period of notice of changes in fees). If the rise in fees remains under 5% per contractual year, the client shall not have the right to terminate the contract. If the rise in fees exceeds 5% per contractual year, the client shall be entitled to terminate the contract by the end of the period of notice of changes in fees. If the contract is not terminated, the changed fees shall be deemed to have been agreed upon by the time of the expiry of the notice period.

8.9 Only legally established and undisputed claims may be offset against claims by TÜV Rheinland.

9. Acceptance

9.1 Any part of the work ordered which is complete in itself may be presented by TÜV Rheinland for acceptance as an instalment. The client shall be obliged to accept it immediately.

9.2 If the client fails to fulfil its acceptance obligation immediately, acceptance shall be deemed to have taken place 4 calendar weeks after completion of the work provided that TÜV Rheinland has specifically made the client aware of the aforementioned deadline upon completion of the work.

10. Confidentiality

10.1 For the purpose of these terms and conditions, "confidential information" means all information, documents, images, drawings, know-how, data, samples and project documentation which one party (the "disclosing party") hands over, transfers or otherwise discloses to the other party (the "receiving party"). Confidential information also includes paper copies and electronic copies of such information.

10.2 The disclosing party shall mark all confidential information disclosed in written form as confidential before passing it onto the receiving party. The same applies to confidential information transmitted by e-mail. If confidential information is disclosed orally, the receiving party shall be appropriately informed in advance and the disclosing party shall confirm in writing the confidentiality nature of the information within five working days of oral disclosure. Where the disclosing party fails to do so within the stipulated period, the receiving party shall not take any confidentiality obligations hereunder towards such information.

10.3 All confidential information which the disclosing party transmits or otherwise discloses to the receiving party during performance of work by TÜV Rheinland:

a) may only be used by the receiving party for the purposes of performing the contract, unless expressly otherwise agreed in writing by the disclosing party;

b) may not be copied, distributed, published or otherwise disclosed by the receiving party, unless this is necessary for fulfilling the purpose of the contract or TÜV Rheinland is required to pass on confidential information, inspection reports or documentation to the government authorities, judicial court, accreditation bodies or third parties that are involved in the performance of the contract;

c) must be treated by the receiving party with the same level of confidentiality as the receiving party uses to protect its own confidential information, but never with a lesser level of confidentiality than that which is reasonably required.

10.4 The receiving party may disclose any confidential information received from the disclosing party only to those of its employees who need this information to perform the services required for the contract. The receiving party undertakes to oblige these employees to observe the same level of secrecy as set forth in this confidentiality clause.

10.5 Information for which the receiving party can furnish proof that:

a) it was generally known at the time of disclosure or has become general knowledge without violation of this confidentiality clause by the receiving party; or

b) it was disclosed to the receiving party by a third party entitled to disclose this information; or

c) the receiving party already possessed this information prior to disclosure by the disclosing party; or

d) the receiving party developed it itself, irrespective of disclosure by the disclosing party, shall not be deemed to constitute "confidential information" as defined in this confidentiality clause.

10.6 All confidential information shall remain the property of the disclosing party. The receiving party hereby agrees to immediately (i) return all confidential information, including all copies, to the disclosing party, and/or (ii) on request by the disclosing party, to destroy all confidential information, including all copies, and confirm the destruction of this confidential information to the disclosing party in writing, at any time if so requested by the disclosing party but at the latest and without special request after termination or expiry of the contract. This does not extend to include reports and certificates prepared for the client solely for the purpose of fulfilling the obligations under the contract, which shall remain with the client. However, TÜV Rheinland is entitled to make file copies of such reports, certificates and confidential information that forms the basis for preparing these reports and certificates in order to evidence the correctness of its results and for general documentation purposes required by laws, regulations and the requirements of working procedures of TÜV Rheinland.

10.7 From the start of the contract and for a period of three years after termination or expiry of the contract, the receiving party shall maintain strict secrecy of all confidential information and

shall not disclose this information to any third parties or use it for itself.

11. Copyrights

11.1 TÜV Rheinland shall retain all exclusive copyrights in the expert reports, test results, calculations, presentations etc. prepared by TÜV Rheinland.

11.2 The client may only use such expert reports, test results, calculations, presentations etc. prepared within the scope of the contract for the contractually agreed purpose.

11.3 The client may use test reports, test results, expert reports, etc. only complete and unshortened. Any publication or duplication for advertising purposes needs the prior written approval of TÜV Rheinland.

12. Liability of TÜV Rheinland

12.1 Irrespective of the legal basis, in the event of a breach of contractual obligations or tort, the liability of TÜV Rheinland for all damages, losses and reimbursement of expenses caused by TÜV Rheinland, its legal representatives and/or employees shall be limited to: (i) in the case of a contract with a fixed overall fee, three times the overall fee for the entire contract; (ii) in the case of a contract for annually recurring services, the agreed annual fee; (iii) in the case of a contract expressly charged on a time and material basis, a maximum of 20,000 Euro or equivalent amount in local currency; and (iv) in the case of a framework agreement that provides for the possibility of placing individual orders, three times of the fee for the individual order under which the damages or losses have occurred. Notwithstanding the above, in the event that the total and accumulated liability calculated according to the foregoing provisions exceeds 2.5 Million Euro or equivalent amount in local currency, the total and accumulated liability of TÜV Rheinland shall be only limited to and shall not exceed the said 2.5 Million Euro or equivalent amount in local currency.

12.2 The limitation of liability according to article 12.1 above shall not apply to damages and/or losses caused by malice, intent or gross negligence on the part of TÜV Rheinland or its vicarious agents. Such limitation shall not apply to damages for a person's death, physical injury or illness.

12.3 In cases involving a fundamental breach of contract, TÜV Rheinland will be liable even where minor negligence is involved. For this purpose, a "fundamental breach" is breach of a material contractual obligation, the performance of which permits the due performance of the contract. Any claim for damages for a fundamental breach of contract shall be limited to the amount of damages reasonably foreseen as a possible consequence of such breach of contract at the time of the breach (reasonably foreseeable damages), unless any of the circumstances described in article 12.2 applies.

12.4 TÜV Rheinland shall not be liable for the acts of the personnel made available by the client to support TÜV Rheinland in the performance of its services under the contract, unless such personnel made available is regarded as vicarious agent of TÜV Rheinland. If TÜV Rheinland is not liable for the acts of the personnel made available by the client under the foregoing provision, the client shall indemnify TÜV Rheinland against any claims made by third parties arising from or in connection with such personnel's acts.

12.5 The limitation periods for claims for damages shall be based on statutory provisions.

12.6 None of the provisions of this article 12 changes the burden of proof to the disadvantage of the client.

13. Partial invalidity, written form, place of jurisdiction and dispute resolution

13.1 All amendments and supplements must be in writing in order to be effective. This also applies to amendments and supplements to this clause 13.1.

13.2 Should one or several of the provisions under the contract and/or these terms and conditions be or become ineffective, the contracting parties shall replace the invalid provision with a legally valid provision that comes closest to the content of the invalid provision in legal and commercial terms.

13.3 Unless otherwise stipulated in the contract, the governing law of the contract and these terms and conditions shall be chosen following the rules as below:

a) if TÜV Rheinland in question is legally registered and existing in the People's Republic of China, the contracting parties hereby agree that the contract and these terms and conditions shall be governed by the laws of the People's Republic of China.

b) if TÜV Rheinland in question is legally registered and existing in Taiwan, the contracting parties hereby agree that the contract and these terms and conditions shall be governed by the laws of Taiwan.

c) if TÜV Rheinland in question is legally registered and existing in Hong Kong, the contracting parties hereby agree that the contract and these terms and conditions shall be governed by the laws of Hong Kong.

13.4 Any dispute in connection with the contract and these terms and conditions or the execution thereof shall be settled friendly through negotiations.

Unless otherwise stipulated in the contract, if no settlement or no agreement in respect of the extension of the negotiation period can be reached within two months of the arising of the dispute, the dispute shall be submitted:

a) in the case of TÜV Rheinland in question being legally registered and existing in the People's Republic of China, to China International Economic and Trade Arbitration Commission (CIETAC) to be settled by arbitration under the Arbitration Rules of CIETAC in force when the arbitration is submitted. The arbitration shall take place in Beijing, Shanghai, Shenzhen or Chongqing as appropriately chosen by the claiming party.

b) in the case of TÜV Rheinland in question being legally registered and existing in Taiwan, to Chinese Arbitration Association Taipei Branch to be arbitrated in accordance with its then current Rules of Arbitration. The arbitration shall take place in Taipei.

c) in the case of TÜV Rheinland being legally registered and existing in Hong Kong, to Hong Kong International Arbitration Centre (HKIAC) to be settled by arbitration under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these rules. The arbitration shall take place in Hong Kong.

The decision of the relevant arbitration tribunal shall be final and binding on both parties. The arbitration fee shall be borne by the losing party.