

Hitex⁺

Product Safety &

SUPPLIER AUDIT PRACTICES



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Hitex Marketing Group is committed to applying the highest standards of safety for its products. Hitex requires all products purchased to meet our design specifications which are reviewed and revised as necessary. We take all necessary steps to ensure that our products meet applicable Federal regulations.

Due to our unique position in the supply chain, Hitex has the opportunity and the responsibility to in some cases perform overseas testing while in other cases confirm adequate testing is being performed.

These are the various scenarios of our purchasing scenarios;

Hitex purchases products in the USA from suppliers (factories) that are producing and then warehousing product in the USA. For these purchases we buy from trusted industry suppliers partners that participate in the PPAI (Promotional Products Association International) guidelines insuring all reasonable product safety testing is conducted. We actively participate in the associations findings, and maintain a watchful eye on new changes to Consumer Product Safety Improvement Act. Enrique Perez, Hitex Marketing Group, President and founder, has served as President of the regional association of this organization and continues to be active both at regional and national levels. Hitex also purchases from suppliers (factories) abroad, namely in China, HK and Taiwan which are divided into two main sub-categories.

General Rule: Hitex will itself, or via an agent visit any new supplier partner being contracted for overseas production to establish a personal relationship. These visit are conducted either during the bi-annual trade mission by its officers, or its Shenzhen office manager.

1] Purchases of under \$10,000.00 purchased directly from the final producing factory or intermediary agents.

For purchases of under \$10,000.00 the trade visit will suffice. Our internal factory audit form is requested at the time of the visit or shortly after. Our internal audit form is a short form requesting information similar to the larger ethical and CSR audits conducted by third parties.

2] Purchases of greater than \$10,000.00 purchased directly from the final producing factory or intermediary agents.

For purchases of greater than \$10,000.00 we require the initial trade visit, our internal audit form, and for product testing reports conducted by our partner Intertek, Shenzhen office. The reports will vary on items and intended usage of the product. Depending on our customer needs, we will also request factory audits be formed annually or make use of existing factory audits.

Attached is a through list of Trade Compliance related issues and precise testing with regards to products, age valuing, raw material, and mechanical test.

Specific questions related to our policies and procedures may be directed to the Trade Compliance Department at compliance@hitexmarketing.com