
Purpose: This proposal is providing information plan and direction toward State of California, USA Regulations Concerning Perchlorate on Best Management Practices.

Note: Information below retrieved from Department of Toxic Substances Control (DTSC) of California. Web site address: <http://www.dtsc.ca.gov/hazardouswaste/perchlorate/>

1. DTSC's Perchlorate Best Management Practices (BMPs)

Perchlorate Knowledge:

- Perchlorate is both a naturally occurring and man-made contaminant increasingly found in groundwater, surface water and soil. Most perchlorate manufactured in the U.S. is used as an ingredient in solid fuel for rockets and missiles. In addition, perchlorate-based chemicals are also used in the construction of highway safety flares, fireworks, pyrotechnics, explosives, common batteries, and automobile restraint systems. Perchlorate contamination has been reported in at least 20 states.

Perchlorate side affects:

- Perchlorate greatly impacts human health by interfering with iodide uptake into the thyroid gland. In adults, the thyroid gland helps regulate the metabolism by releasing hormones, while in children, the thyroid helps in proper development. Perchlorate is becoming a serious threat to human health and water resources.

Perchlorate on Best Management Practices requirement:

- The Perchlorate Best Management Practices became operative on *July 1 2006*.
- Product containing Perchlorate materials *more than six (6) parts per billion (ppb)* of perchlorate required to implement Best Management Practices requirement.
- Persons who manufacture perchlorate materials, repackage perchlorate materials, distribute perchlorate materials for sale, receive perchlorate materials for resale or use in California, or generate a perchlorate containing waste shall ensure that the perchlorate materials are properly labeled.

Labeling requirement for Best Management Practice on Perchlorate Materials:

- Labels shall be applied conspicuously on the exterior of all outer shipping packages and on consumer packages. Perchlorate material shall be labeled or marked clearly with the following, "*Perchlorate Material – special handling may apply, See www.dtsc.ca.gov/hazardouswaste/perchlorate/*"

Note: Please refer to the following information plan and direction toward State of California, USA Regulations Concerning Perchlorate on Best Management Practices.

2. Plan overview:

Our company plan overview

- Company direction would concern about finding appropriate way to implement government environmental regulation and handling issue.
- Our implementation plan is to get all the following process implemented before April 20, 2007:
 - Perchlorate Material Notice Label applied to related products, which on the exterior of all outer shipping packages and on customer packages as well. (Included Server Product and Motherboard product alone)
 - User manual added with sufficient required warning information. (Included Server User manual and Motherboard User manual)
 - Letter Notice to customers who will reassembly or repackage products.
 - Web Site provided sufficient information to user & distributor.

Label Marking Direction:

- Perchlorate Material Notice Label will be used to apply on related products.
(Label Size: 3.30" x 0.75") equivalent to (8.382cm x 1.905cm)
(Color: White color background & Black color on wording)



"Perchlorate Material-special handling may apply.
See www.dtsc.ca.gov/hazardouswaste/perchlorate"

User Manual Information Adding Direction:

- **California Best Management Practices Regulations for Perchlorate Materials**

This Perchlorate warning applies only to products containing CR (Manganese Dioxide) Lithium coin cells. "Perchlorate Material-special handling may apply. See www.dtsc.ca.gov/hazardouswaste/perchlorate"

Letter notice to repackage/distributor customer:

- OEM/Regular Product Manager (PM) must notice customer who repackaging the product must compliance to the California Best Management Practices Regulations for Perchlorate Materials label.
- Supermicro Product Manager (PM) must inform production line/shipping department to apply for the label on related products.
- PM/Purchasers must work and inform Contract Manufacturer (CM) to apply label on box if possible.

Web Site providing information Direction:

State of California, USA Regulations Concerning Perchlorate
Best Management Practices

The State of California, USA has instituted “regulations concerning perchlorate best management practices (BMP)”. The following is our notification regarding this rule:

CA Lithium Perchlorate Regulation (California Code of Regulations, Title 22, Division 4.5, Chapter 33: Best Management Practices for Perchlorate Materials):

The State of California requires that a warning be included for products containing a device using Lithium Perchlorate.

Super Micro Computer, Inc. understands the CA Lithium Perchlorate requirement that a printed warning must be included with all products containing a Lithium battery, either as an insert, in existing product literature, or as part of the shipping memo wording.

Here is the Warning text:

Perchlorate Material - special handling may apply. See
www.dtsc.ca.gov/hazardouswaste/perchlorate.

This notice is required by California Code of Regulations, Title 22, Division 4.5, Chapter 33: Best Management Practices for Perchlorate Materials. This product/part includes a battery that contains Perchlorate material.

Labeling BMP requirements for perchlorate materials

In California, companies or

Persons who manufacture perchlorate materials, repackage perchlorate materials, distribute perchlorate materials for sale, use perchlorate materials, generate a perchlorate containing waste, or export perchlorate materials in California shall ensure that the perchlorate materials are properly labeled as indicated below on the exterior of all outer shipping packages and/or in locations which otherwise satisfy the California rule.

Approval:

Compliance Engineer Kelvin Lee	<i>[Signature]</i> 4/6/07	Legal Department Winnie Tsai	<i>[Signature]</i> 4/6/07
Motherboard Director Ivan Tay	<i>[Signature]</i> 4/6/07	Sever Department Director Henry Kung	<i>[Signature]</i> 4/6/07
Marketing Director Tau Leng	<i>[Signature]</i> 4/6/07	Purchaser Director Yung Lee	<i>[Signature]</i> 4/6/07
Final Approval (CEO) Charles Liang	<i>[Signature]</i>		