

PURCHASE ORDER GENERAL TERMS AND CONDITIONS

COMPLIANCE WITH LAWS; ETHICAL STANDARDS OF CONDUCT

By the acceptance of this Purchase Order ("Order"), Seller agrees that Seller shall comply with all applicable state and local laws, ordinance codes and regulations, and all applicable Federal Laws, orders, decrees policies and regulations, in the performance of this Order, including but not limited to the Foreign Corrupt Practices Act of 1977, fair wages and treatment, personal privacy, OSHA, and import/export laws and regulations. Seller hereby represents that it has neither received or given any gifts or gratuities, nor participated in any other unethical conduct in connection with this Order. In addition, acceptance of this Order by Seller confirms that the goods shipped to Buyer were not produced, whether directly or indirectly, using forced labor, and whether or not such forced labor was conducted in the Xinjiang region of China in violation of the Uyghur Forced Labor Prevention Act (UFLPA). If, at any time, Buyer determines that Seller is in violation due to the foregoing representation, Buyer may cancel this Order upon written notice to Seller and Buyer shall have no further obligation to Seller. In addition, Seller hereby represents that it will comply with applicable internal Buyer policies, including but not limited to HRL policies and practices when entering any HRL premises and the HRL Business Code of Conduct for Vendors, Suppliers, Subcontractors & Consultants (<https://www.hrl.com/terms/vendor>).

SHIPPING INSTRUCTIONS

1. PACKING AND PACKAGING:

Seller shall use best commercial practice for packing and packaging of items to be delivered under this Order, unless otherwise specified herein or in the Order.

2. HAZARDOUS MATERIAL, PACKING, LABELING AND SHIPPING:

- (a) Seller shall package, label, transport and ship hazardous material or items containing hazardous materials in accordance with all applicable Federal, state, and local laws and regulations, including but not limited to current published issues of tariffs and regulations reflecting 49 CFR, Articles 100-199, as amended, and the current Hazardous Materials Regulations of the Department of Transportation and, if applicable, to furnish appropriate Safety Data Sheets in accordance with California Hazardous Substances Information and Training Act. Seller, prior to each hazardous material shipment, shall notify Buyer of its nature and shipment date by such means of communications as will allow for proper preparation for acceptance of delivery by the carrier of the material and shall identify same on all shipping documents.
- (b) The 1990 Clean Air Act Amendments and implementing regulations established labeling requirements for products manufactured with, containers of, and products containing specific ozone depleting substances. This label must be "clear and conspicuous". There is no requirement that suppliers label directly on the hardware. Because labeling hardware may not conform to requirements contained in the technical data package (if any), pertinent to this Order, Buyer prefers that the hardware deliveries under this Order not be labeled, and that alternative labeling be used. The EPA regulation provides for the use of alternative labeling. Supplemental printed material may also be appropriate, i.e., where the statement would be as conspicuous on printed material as it would be on the product. For specific requirements and options on labeling regulations, refer to 40 CFR 82.

3. ROUTING INSTRUCTIONS:

- (a) Freight shipments are to be routed via Order instructions or as authorized by Buyer. Seller will request routing instructions prior to shipping for delicate equipment, emergency, and / or shipments exceeding 10,000 pounds gross weight.
- (b) Purchase Order Number(s) , a detailed description of each good and the country-of-origin (COO) information *must* appear on all shipping documents, labels and related correspondence. Both COO information and true and accurate shipment values, both unit count and total value, must appear on all shipping documents in accordance with U.S. customs law.
- (c) Freight Charges: Unless specified to ship collect, shipments are "Freight Prepaid" on domestic shipments or Deliver Duty Paid (DDP – Incoterms 2010), Malibu HRL Facility for international shipments. Attach copies of paid freight bills to any invoice that includes transportation charges to be reimbursed. In the event an international shipment is designated as other than DDP-Incoterms 2010, Seller's invoice shall specifically state in writing all U.S. customs clearance will be handled on behalf of HRL.
- (d) Insurance: *DO NOT DECLARE ANY VALUE FOR CARRIAGE OR INSURANCE*. Shipments shall be released

The text of this document shall not be changed except by written agreement between HRL and Seller.

to minimum value of governing classification or tariff, or insured for minimum value for traceability. No shipment exceeding \$10,000 shall be sent Parcel Post. No shipment exceeding \$50,000 shall be sent via courier service. Seller will provide advance notice to Buyer of shipments exceeding \$1,000,000.

- (e) Consolidation: Consolidate all shipments to the delivery point specified in the Order, for any one day, on one Bill of Lading or AirWaybill.
- (f) Customs Documents: Seller will provide a copy of the shipment and/or customs documents for international shipments to Buyer *PRIOR* to shipment to allow Buyer time to review the documents and provide authorization to ship. Upon shipment, the shipment tracking number must be provided to Buyer. Any losses suffered as a result of Seller's failure to provide these documents, to provide tracking information, or the failure of the Seller's forwarder/carrier to provide documents to HRL's Broker (losses include, but are not limited to, customs fines or penalties, unnecessary delays, program penalties or other subsequent HRL losses) will be the sole responsibility of the Seller.
- (g) Packing Sheets: Seller is to provide, at a minimum, one packing sheet with each shipment. Packing Sheets must contain the complete Purchase Order Number.

4. TARIFF TERMS:

All shipments shall be made in strict conformity with governing United States tariff rules and regulations, and packaging specifications, , including but not limited to the Solid-Wood Packaging requirements defined in ISPM 15, except where otherwise specifically required by terms of this Order or by U.S. Customs, or other U.S. regulatory authority. As applicable, Seller will provide certificates of origin associated with a duty reduction program (e.g., free trade agreement) when requested by Buyer, unless the goods are determined to be ineligible for the duty reduction program.

PURCHASE ORDER GENERAL TERMS

1. WARRANTIES:

Seller warrants to Buyer and its customers that all items delivered and all services rendered hereunder will conform to the requirements hereof and will be free from defects for one (1) year from receipt or acceptance of items and/or services as applicable. In addition to other remedies which may be available at law or in equity, Buyer, at its option, may return to Seller any nonconforming or defective item(s) or require correction or replacement of the item(s), all at Seller's risk and expense. If Buyer does not require correction or replacement of nonconforming or defective item(s), Seller shall repay such portion of the Order price or such additional amount as is equitable under the circumstances. These rights of Buyer are in addition to and shall not be limited by Seller's standard warranties. Inspection and acceptance of items by Buyer or its customer, or payment therefore, shall not relieve Seller of its responsibilities hereunder.

2. CHANGES:

By written order, Buyer may, from time to time, order work suspension or make changes in drawings, designs, specifications, place of delivery, methods or shipment and packaging, and property and services furnished by Buyer. If any such change causes an increase or decrease in the price of this Order or in the time required for its performance, Seller shall promptly notify Buyer thereof and assert its claim for adjustment within ten (10) days after the change is ordered, and an equitable adjustment shall be made. However, nothing in this Section 2 shall excuse Seller from proceeding immediately with the Order as changed. Whether made pursuant to this Section 2 or by mutual agreement, changes shall not be binding upon Buyer except when specifically confirmed in writing by a member of Buyer's Procurement Department. Information, advice, approvals, or instructions by Buyer's technical personnel or other representatives shall be deemed expressions of personal opinion only and shall not affect Buyer's and Seller's rights and obligations hereunder unless set forth in a writing which is signed by a member of Buyer's Procurement Department and which expressly states that it constitutes an amendment or change to this Order.

3. INFRINGEMENT INDEMNITY:

In lieu of any other warranty by Buyer or Seller against infringement, statutory or otherwise, it is agreed that Seller shall defend, at its expense, any suit against Buyer and its customers based on a claim that any item furnished under this Order or the normal use or sale thereof infringes any third party intellectual property right, other than claims under Letters Patent covering combinations of such items with items not furnished by Seller, unless such claim is due solely to Seller's item irrespective of the combination, and shall pay costs and damages finally awarded in any such suit, provided that Seller is notified in writing of the suit and given authority, information, and assistance at Seller's expense for the defense of same. If the use or sale of said item is enjoined as a result of such suit, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item or shall substitute an equivalent item acceptable to Buyer and extend this patent indemnity thereto at no additional cost to Buyer.

The text of this document shall not be changed except by written agreement between HRL and Seller.

4. SELLER'S DATA:

- (a) Seller agrees that all information, including but not limited to technical data, computer software and documentation, tapes, photo prints, and other information, developed by Seller and furnished with items or required to be furnished by this Order, together with any information furnished orally, shall be free from proprietary restrictions except if elsewhere authorized in this Order. Subject to paragraph 4(b) below, solely for Seller's data for which a restrictive use marking is authorized in this Order, may be duplicated, modified, distributed or otherwise used by Buyer in performance of its customer contracts. Such usage includes, as a minimum, preparation of logistics and instructional information and delivery thereof as required by such customer's contract. Any other specific rights, not inconsistent with these minimum rights, shall be listed or described in a license or agreement and made a part of this Order.
- (b) Except as to data available to Buyer without restriction from other sources or independently developed by Buyer or released by Seller without restriction, Seller's data that is subject to a valid authorized restrictive use marking, shall not without Seller's permission be:
- (1) Used by Buyer for manufacture of items described by such data, or
 - (2) disclosed outside Buyer or its customers.
- (c) (1) To the extent that Seller establishes a claim to any intellectual property right, including but not limited to patent, trade secrets or statutory copyright in any data first produced or furnished in the performance of this Order, and when Buyer is purchasing a custom item and/or services as identified in a Quote, SOW, implied by cancellation fees or by any other means, Seller grants the Buyer a royalty-free, nonexclusive, perpetual, irrevocable, world-wide license to access, use, distribute, modify, translate, duplicate, exhibit, or perform any such data of Seller with the right to grant sublicenses.
- (2) The Seller further warrants not to knowingly include any data copyrighted by others in technical data delivered under this Order without first obtaining, at no additional cost and for the benefit of the Buyer, a license therein of the same scope as set forth in Section 4(c)(1) above.

5. PROPERTY RIGHTS:

All materials, tools, equipment, and other property furnished by Buyer or Buyer's customer to Seller shall remain the property of the Buyer or Buyer's customer, as the case may be, and the Seller assumes the risks of, and shall be responsible for, any loss thereof or damage thereto. Such property shall, at all times, be safely stored and properly maintained by Seller. Seller, in accordance with the terms of this Order, but in any event upon completion thereof, shall return such property to Buyer or to any other owner as Buyer may direct in the condition in which it was received by Seller, except for reasonable wear and tear and except to the extent that such property has been incorporated in the items delivered or has been reasonably consumed in performance of work under this Order.

6. BUYER'S PROPERTY RIGHTS AND DISCLOSURE:

- (a) Seller agrees that any and all information disclosed by Buyer to Seller for the purpose of this Order shall be used only in performance of this Order. Seller shall not use or disclose, without Buyer's prior written consent, and agrees that Buyer owns all intellectual property rights in any tools or other items or drawings, specifications, technical information, computer software, or other data and information which have been specially designed for Buyer in connection with this Order or furnished by Buyer. Seller shall immediately notify Buyer in writing in the event any unauthorized use or release of any Buyer information is suspected or occurs. Nothing in this Section 6(a) shall restrict Seller's right to use or disclose any information, which is or becomes generally known to the public without breach of these terms by Seller or is rightfully obtained without restriction from other sources. Upon completion or termination of this Order, Seller shall return all such information to Buyer, or make such other disposition thereof as may be directed or approved by Buyer.
- (b) No item and/or modification or customization of an item furnished under this Order, or tools, plans, design, drawings, computer software, specifications or other data for producing the same, which have been designed for Buyer, shall be duplicated or used by Seller or furnished to others without Buyer's prior written consent, and Seller expressly agrees that Buyer owns all intellectual property rights in said property.
- (c) Seller agrees that it will not publicize this Order or disclose, confirm or deny any details thereof to third parties, or use Buyer's name in connection with Seller's sales promotions or publicity without prior written approval from Buyer.
- (d) Seller further agrees that it will comply with the Immigration Reform and Control Act of 1986 and all U.S. export laws and regulations, including but not limited to the Arms Export Control Act, the International Traffic in Arms Regulations (ITAR), the Export Administration Acts and the Export Administration Regulations. In particular, Seller warrants that it will not provide any hardware and/or disclose any technical data provided hereunder to any individual

The text of this document shall not be changed except by written agreement between HRL and Seller.

who is not a United States Citizen or does not have Permanent Resident Alien status, or to any entity which is not a U.S. company or other U.S. entity, unless the appropriate export license or agreement has been obtained.

7. ASSIGNMENTS AND SUBCONTRACTING:

- (a) Neither this Order nor any interest herein nor claim hereunder may be assigned or delegated by Seller, nor may all or substantially all of this Order be further subcontracted by Seller without the prior written consent of Buyer. No Buyer consent shall be deemed to relieve Seller of its obligations to comply fully with the requirements hereof.
- (b) Notwithstanding the above, Seller may, without Buyer's consent, assign monies due or to become due hereunder provided Buyer shall continue to have the right to exercise any and all of its rights hereunder, settle any and all claims arising out of, and enter into amendments to this Order, without notice to or consent of the assignee. Buyer shall be given notice of any assignment and all invoices shall refer to the assignment.

8. TERMINATION FOR CONVENIENCE:

- (a) This Order may at any time be terminated in whole or in part by written notice from the Buyer. If such termination is for the convenience of Buyer, Buyer after deducting any amount(s) previously paid, shall pay a proportional price for all work performed (as evidenced by documentation) and that could not be mitigated by Seller through resale or otherwise. The total amount to be paid by Buyer in the event of termination for convenience shall be determined by negotiation, but it shall in no event exceed the price of this Order.
- (b) In the event of a termination for convenience, Seller shall use its best efforts to reduce costs incurred on terminated work and, to the extent not terminated, shall diligently continue performance of the work not terminated in accordance with the terms of this Order.

9. TERMINATION FOR DEFAULT:

- (a) Buyer may, without prejudice to any other rights or remedies provided by law or under this Order by written Notice of Default by Seller, terminate the Order in whole or in part in any one of the following circumstances:
 - (1) If Seller has been declared bankrupt, make an assignment for the benefit of creditors, or is in receivership; or
 - (2) If Seller fails to perform the work or deliver the supplies or services in accordance with the delivery or performance schedules specified in this Order, or any extension thereof; or
 - (3) If Seller fails to perform any of the other terms of this Order, or so fails to make progress as to endanger the performance of this Order in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure.
- (b) If at any time it appears that the Seller has not or will not meet this Order's delivery schedule, or any extension thereof, Buyer has the right to require Seller to submit a revised delivery schedule together with adequate documentation to support the reasonableness of the revised schedule:
 - (1) The revised schedule shall provide a specific date for the delivery of each deliverable item under this Order and shall not be submitted subject to any contingencies.
 - (2) Such request shall not be deemed a waiver of any existing delivery schedule or any other rights of Buyer under this Order.
 - (3) If Seller fails to submit a revised delivery schedule as specified above or any extension thereof granted by Buyer, Seller shall be deemed to have failed to make delivery within the meaning of the "Default" clause of this Order and this Order shall be subject to termination.
- (c) In the event Buyer terminates this Order in whole or in part as provided in Section 9(a), Buyer may procure, upon such terms and in such manner as it may deem appropriate, supplies or services similar to those so terminated, and Seller shall be liable to Buyer for any excess costs reasonable incurred for such similar supplies or services, provided that Seller shall continue the performance of this Order to the extent not terminated in accordance with the terms of this Order.
- (d) Except with respect to defaults of Seller's subcontractors, Seller shall not be liable for any excess costs if the failure to perform the Order arises out of causes beyond the control and without the fault or negligence of the Seller, provided Seller gives Buyer written notice of such causes within ten (10) days of the occurrence thereof and within the period of delivery agreed upon. Such causes may include, but are not restricted to, acts of God or of a public enemy, acts of Buyer, acts of a government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, and freight embargoes, but in every case the failure to perform must be beyond the control and without the fault or negligence of the Seller. If failure to perform is caused by default of Seller's subcontractor and if such default arises out of causes beyond the control of both Seller and its subcontractor, and

The text of this document shall not be changed except by written agreement between HRL and Seller.

without the fault or negligence of, and despite the exercise of utmost diligence by either of them, Seller shall not be liable for any excess costs for failure to perform, unless the suppliers or services to be furnished by Seller's subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedule.

- (e) If this Order is terminated as provided in this Section 9, Buyer, in addition to other rights afforded in this Section, may require Seller to transfer title to and deliver to Buyer, in the manner and to the extent directed by Buyer:
 - (1) Any completed items, and
 - (2) Such partially completed items and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, contract rights (hereinafter called "manufacturing materials") as Seller has specifically produced or acquired for the performance of such part of this Order or as has been terminated, and Seller shall, upon direction of Buyer, protect and preserve property in possession of Seller in which Buyer has an interest.
- (f) Payment for items completed by Seller and delivered to and accepted by Buyer prior to such termination shall be at the price for such items specified in the Order. Payment for manufacturing materials delivered to and accepted by Buyer, and for the protection and preservation of property, shall be a reasonable amount agreed upon by Buyer and Seller. Buyer may withhold from amounts otherwise due Seller under this Section 9(f) such sum as Buyer deems necessary to cover the additional cost of completing the Order and to protect Buyer against loss because of outstanding liens or claims of former lien holders.
- (g) If, after a notice of termination under Section 9(a) has been issued, it is determined that the failure to perform this Order is due to causes beyond the control and without the fault or negligence of Seller or any of its suppliers or subcontractors, such notice of termination shall be deemed to have been issued pursuant to Section 8 "Termination for Convenience", and the rights and obligations of the parties shall, in such event, be governed by such Section.
- (h) The rights and remedies of the Buyer provided in this Section 9 shall not be exclusive and are in addition to any other rights and remedies provided at law, or in equity, or under this Order.

10. COMPLIANCE WITH DELIVERY SCHEDULE:

Seller agrees to exert every effort, including overtime, to meet the specified delivery schedule. Any notice to Seller by Buyer as to possible delay and/or expediting action by Buyer to accomplish on-time delivery shall not constitute a waiver of Buyer's right under this Order, or shall either or both of such foregoing actions in any way affect the responsibility of Seller to make timely deliveries of items or perform specified services in accordance with the delivery schedule prescribed by this Order.

11. SELLER'S PAYMENT OF PREMIUM TRANSPORTATION COSTS:

Except as may be specified otherwise in this Order, deliveries shall be strictly in accordance with the delivery schedule set forth in this Order. If Seller's deliveries fail to meet such schedule, with the result that Buyer elects to call upon Seller for premium shipments, Seller will pay for all increased rates for such premium shipments.

12. QUALITY CONTROL AND INSPECTION:

- (a) Seller and its suppliers shall establish and maintain a quality control and inspection program as required by the quality control requirements of this Order. Any changes, deviations or waivers from the requirements of the Order shall have the prior written approval of the Buyer.
- (b) Buyer shall have the right of access on a non-interference basis to any area of Seller's or Seller's supplier's premises where any part of the work is being performed. Seller shall, without additional costs to Buyer, provide all reasonable in-plant accommodations, facilities, and assistance for the safety and convenience of the Buyer and Buyer's customer representatives in the performance of their duties.
- (c) In order to ensure that any purchased equipment items satisfy Buyer's program requirements and to demonstrate compliance with applicable technical specifications, Seller and Seller's suppliers shall perform, at a minimum, factory tests as required by the Order and the Buyer and its customer representatives may witness such tests and review the test data. Seller shall give Buyer advance notice as is reasonable necessary to allow Buyer to witness any required test. The work set forth in the Order is subject to inspections and monitoring in accordance with the requirements of this Order and the quality program set forth at the Seller's or Seller's supplier's facility and such may be performed by the Buyer and/or its customer at their sole discretion. Inspection by the Buyer and/or its customer shall not relieve the Seller from responsibility for any omission, defect, fault, or other failure to meet the requirements of this Order. If any item is found to be defective in material, workmanship, or otherwise not in conformance with the requirements of this Order, the Buyer shall have the right to reject such defective item(s) or require its prompt correction, all at Seller's expense.
- (d) Seller shall keep and maintain proper and adequate inspection, test, and related records, which shall be available for

The text of this document shall not be changed except by written agreement between HRL and Seller.

inspection by the Buyer or its customer representative and shall allow copies to be made and extracts to be taken and shall furnish all information which may be required by the Buyer.

- (e) All items also may be subject to further inspection and acceptance at Buyer's plant or site of installation, notwithstanding any payments or other prior inspection. Final acceptance shall be at Buyer's facility or Buyer's Purchasing representative may designate such other place as in writing.

13. JIGS AND FIXTURES:

In the manufacture of items to be supplied hereunder, Seller shall use jigs, fixtures, and/or other devices or appliances in all processes where such use is conducive to interchangeability for uniformity of the items, of such character as will reduce the need for selective assembly, and whenever Buyer determines that such devices or appliances are incorrect, worn, damaged, or defective to such an extent as to adversely affect basic interchangeability of the item manufactured, Seller shall not thereafter use the same in its incorrect, worn, damaged, or defective form.

14. COUNTERFEIT ITEMS:

- (a) Seller shall not furnish Counterfeit Items to Buyer, defined as items or separately-identifiable items or components of items that: (i) are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes. Notwithstanding the foregoing, items that contain modifications, repairs, re-work, or re-marking solely as a result of Seller's or its subcontractor's design authority, material review procedures, quality control processes or parts management plans, and that have not been misrepresented or mismarked shall not be deemed Counterfeit Items. Counterfeit Items shall be deemed nonconforming to the applicable Order for which they were delivered.
- (b) Seller shall implement an appropriate strategy to ensure that items furnished to Buyer under this Order are not Counterfeit Items. Seller's strategy shall include, but not limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM's original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item's authenticity.
- (c) If Seller becomes aware or suspects that it has furnished Counterfeit Items to Buyer under this Order, Seller promptly, but in no case later than fifteen (15) days from discovery, shall notify Buyer and replace, at Seller's expense, such Counterfeit Items with OEM or Buyer-approved Items that conform to the requirements of this Order. Seller shall be liable for any and all costs related to the replacement of Counterfeit Items and any testing or validation necessitated by the installation of authentic items after Counterfeit Items have been replaced.
- (d) Seller bears responsibility for procuring authentic items and such items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this Section 14.

15. PRICES:

Seller warrants that any unit prices charged herein do not exceed the unit prices charged by Seller to other customers in substantially similar transactions.

16. INVOICES:

- (a) Unless otherwise specified in this Order, invoices shall be emailed to Buyer's Accounts Payable Department when items are shipped. The time for payment shall not commence before Buyer's actual or scheduled receipt, whichever is later, of items at their destination or before performance by Seller in accordance with the requirements of this Order. Without limiting Buyer's other remedies, if data is deficient or is not furnished when scheduled, Buyer may withhold remaining payments (or such portion thereof as Buyer may deem equitable) until such deficiency or delinquency is cured.
- (b) All shipping costs and all Federal manufacturers' and retailers' excise and state or local sales or use taxes, when applicable, must be billed as separate items on Seller's invoices. Seller shall accept any and all tax exemption certificates provided by Buyer. Seller certifies that these items were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of regulations and order of

The text of this document shall not be changed except by written agreement between HRL and Seller.

the U.S. Department of Labor issued under Section 14 thereof.

- (c) In addition to any other remedies that may be available at law or in equity, Buyer shall have the right to recover from Seller by offset or otherwise the price of any items returned to Seller under the terms of this Order.

17. HAZARDOUS MATERIAL

Seller shall comply with the Packing, Labeling and Shipping instructions set forth above in Section 2 and 3 of the Shipping Instructions herein.

18. CONFLICT MINERALS

Seller shall disclose any Conflict Minerals used in the production of any items subject to these terms and conditions, and, in the event such materials are used, shall submit to Buyer, as applicable, a description of reasonably acceptable measures taken with its supply chain to assure the appropriate sourcing and chain of custody of such materials. "Conflict Minerals" shall have the meaning ascribed without limitation, columbite-tantalite (coltan), cassiterite, gold, wolframite, or any of their derivatives, or any other mineral or its derivatives determined by the US Secretary of State to be financing conflict in the Democratic Republic of Congo or an adjoining country.

19. PURCHASE ORDER FLOWDOWN

Seller shall flow down all applicable requirements of the Purchase Order to their suppliers to insure conformance with all specifications, drawings, quality systems requirements of AS9100, regulations, and other requirements specified in the Purchase Order.

20. DEFECTIVE PARTS OR SERVICE

Seller, at no increase to the Purchase Order price, must correct or replace any defective or nonconforming items at the original point of delivery or at Seller's facility at the Buyer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Seller and the Buyer. In the alternative and upon the election of Buyer, Seller shall refund any pre-paid portion of the Purchase Order if the Buyer elects a refund in lieu of either correction or replacement. If correction or replacement is allowed, Buyer may require a reduction in the Purchase Order price if the Seller fails to meet such delivery schedule or within a reasonable time after receipt by Seller of the defective or nonconforming items. If defective or nonconforming items are returned to Seller, Seller shall bear the transportation cost from the original point of delivery to the Seller's facility and also bear the return shipping costs. All service orders must be corrected at the place of installation. If Seller fails to perform or act as required and does not cure such failure within a period of 10 days (or such longer period as the Buyer may authorize in writing after receipt of notice from the supplier specifying such failure), Buyer shall have the right to replace or correct such items and/or services and charge the Seller any and all related costs.

21. LIMITATION OF LIABILITY:

Buyer and Seller agree that Buyer's liability under this Order for all causes, without exception, shall not exceed the total dollar value listed on the face page of this Order. IN ADDITION, IN NO EVENT WILL BUYER BE LIABLE FOR ANY SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING ANY DAMAGES ON ACCOUNT OF LOST PROFITS, LOST DATA, LOSS OF USE OF DATA, LOST REPUTATION, OR LOST OPPORTUNITY, WHETHER OR NOT PLACED ON NOTICE OF ANY SUCH ALLEGED DAMAGES AND REGARDLESS OF THE FORM OF ACTION IN WHICH SUCH DAMAGES MAY BE SOUGHT.

22. LABOR DISPUTES:

Seller agrees that whenever an actual or potential labor dispute delays or threatens to delay the timely performance of this Order, Seller shall immediately give written notice to Buyer.

23. SECURITY:

Seller shall provide and maintain a system of security controls in accordance with the security requirements of this Order, if any, and any other security requirements, which may be imposed by Buyer's customer.

24. DISPUTES:

- (a) Buyer and Seller agree to make a good faith attempt to settle any dispute arising under or related to this Order without resort to legal action. If such good faith efforts fail, the Buyer, at its option, may submit the dispute to mediation and/or binding arbitration in the State of California, Los Angeles County. The selection of an independent and neutral mediator shall be at the mutual agreement of the parties. Buyer reserves the right to abandon arbitration and pursue all available legal and equitable remedies in the event Seller does not comply with a demand for arbitration within sixty (60) days of notice. The parties shall divide the cost of mediation and arbitration, including the fees of the mediator(s) or arbitrator(s), equally unless the award provides otherwise. Each party shall bear its own cost of preparing and presenting its case.

The text of this document shall not be changed except by written agreement between HRL and Seller.

PURCHASE ORDER ATTACHMENT GL-06

- (b) Pending resolution of any dispute arising hereunder, Seller shall proceed diligently with the performance of this Order in accordance with Buyer's direction concerning the subject matter of such dispute. Irrespective of the place of performance, this Order will be construed and interpreted according to the laws of the State of California, without resort to said state's Conflicts of Law rules. Furthermore, the United Nations Convention on Contracts for the International Sale of Goods does not apply.

25. PRECEDENCE:

Conflicting terms, if any, shall prevail in the following descending order of precedence:

- (1) Typed terms and conditions set forth in the Purchase Order;
- (2) These General Terms and Conditions;
- (3) Buyer's Purchase Order Attachments;
- (4) Statement of work; and
- (5) Specifications attached or incorporated by reference. Buyer's specifications shall prevail over those of the Seller.

26. ADDITIONAL PURCHASE ORDER AMENDMENTS:

Seller and Buyer shall negotiate amendments to this Order to incorporate additional terms herein or to change terms hereof as Buyer may reasonably deem necessary.

27. ADDITIONAL REQUIREMENTS

(a) The provisions of 41 CFR 60-300.5, Equal Opportunity for Disabled Veterans, Recently Separated Veterans, Other Protected Veterans, and Armed Forces Service Medal Veterans, apply to all contracts, subcontracts, and purchase orders where the value equals or exceeds \$100,000. Contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

(b) The provisions of 41 CFR 60-741.5, Affirmative Action and Nondiscrimination Obligations of Contractors and Subcontractors Regarding Individuals with Disabilities, apply to all contracts, subcontracts, and purchase orders where the value equals or exceeds \$10,000. Contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment-qualified individuals with disabilities.

28. GENERAL:

This Order and the attachments and documents incorporated herein constitute the complete and exclusive statement of the terms of this agreement between Buyer and Seller and supersede all prior representations, understandings, and communications relating hereto. The invalidity in whole or in part of any Section of this Order shall not affect the validity of other terms. Buyer's failure to insist, in any one or more instance, upon the performance of any term of this Order, shall not be construed as a waiver or relinquishment of Buyer's right to such performance or to future performance of such a term or terms, and Seller's obligation in respect thereto shall continue in full force and effect. Time shall be of the essence hereunder. Seller shall perform work and make deliveries hereunder no earlier than and only to the minimum extent consistent with delivery schedules and other requirements.

[End of Attachment GL-06]

The text of this document shall not be changed except by written agreement between HRL and Seller.