

HARMAN INTERNATIONAL INDUSTRIES, INC.



MODERN SLAVERY TRANSPARENCY STATEMENT

HARMAN International Industries, Inc. (“HARMAN”) is committed to upholding human rights and ethical standards in all of our operations and supply chains. We recognize our responsibility to ensure that slavery, human trafficking, and exploitation do not exist within our business.

OUR BUSINESS

HARMAN, a subsidiary of Samsung Electronics Co., Ltd., designs and engineers connected car systems, audio and visual products, enterprise automation solutions, and services supporting the Internet of Things. Our global operations span over 30 countries with a workforce of more than 30,000. We are proud to serve automakers, consumers, and enterprises worldwide under brands such as AKG®, Harman Kardon®, Infinity®, JBL®, Lexicon®, Mark Levinson®, and Revel®.

OUR VALUES & POLICIES

Our Code of Conduct reflects HARMAN’s commitment to integrity, ensuring compliance with local and international laws. We prohibit the use of all forms of forced labor, including indentured labor, bonded labor, military, slave, and child labor. Our [Human Rights Statement](#) aligns with the United Nations International Labor principles, and our [Supplier Code of Conduct](#) upholds these values, requiring suppliers to comply with anti-slavery and human trafficking laws.

ACTIONS TAKEN

Contract Clauses: HARMAN includes modern slavery clauses in its global agreements, requiring suppliers to certify compliance with anti-slavery laws. Non-compliance may result in termination of business relationships.

Third-Party Due Diligence: HARMAN utilizes a range of robust due diligence tools to actively monitor and assess our partners for potential risks related to forced labor.

Training: HARMAN provides training to employees and managers on the subject of modern slavery and our policies to address the risks to help increase education and awareness.

External Engagement: HARMAN is a member of the Responsible Business Alliance and is held accountable to a common [Code of Conduct](#)

Raising Concerns: HARMAN fosters a culture where colleagues can raise concerns or report misconduct without fear of retaliation. We provide multiple channels for reporting, including the [Speak Up Hotline](#) and our Anti-Retaliation Policy.

HARMAN takes responsibility for this Statement and will review and update it in accordance with the California Transparency in Supply Chains Act and the UK Modern Slavery Act.

Signed by:


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Christian Sobottka
President and CEO
HARMAN International Industries, Inc.



HUMAN RIGHTS STATEMENT

At HARMAN we are connected by integrity. Our Code of Conduct reflects our company values and aligns these values with our policies to ensure that we do what is right and comply with applicable laws of the countries in which we operate.

HARMAN International Industries, Inc. and all of its businesses and subsidiaries worldwide (“HARMAN”) is committed to conducting business honestly and with respect for human rights. Our approach to human rights is informed by the United Nations International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization Declaration on Fundamental Principles and Rights at Work.

In particular, HARMAN commits to the following s:

- Freedom of association and effective recognition of the right to collective bargaining;
- The elimination of all forms of forced or compulsory labor.
- The effective abolition of child labor.
- The elimination of employment discrimination.
- A safe and healthy working environment.

Additionally, HARMAN:

- Prohibits the use of child labor, forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons anywhere in the world either directly or indirectly.
- Is committed to providing proper working conditions, hours, overtime, and compensation to all employees, which shall, at a minimum, comply with all applicable local laws and regulations.
- Promotes women’s equal enjoyment of all human rights, including socio-economic equality, and respects the rights, including access to water and right to forest and land, of local communities and indigenous people who may be affected by HARMAN’s business activities consistent with international standards.

HARMAN also expects its suppliers and other business partners to uphold the same principles.

While HARMAN’s Legal & Compliance Department has overall responsibility for oversight, implementation, and enforcement of HARMANs Human Rights Policy, each of HARMAN’s business divisions and functions are subject to upholding the principles set forth in this statement. Questions regarding this Policy should be directed to HARMAN’s Legal & Compliance Department at: oneharmanesg@harman.com.



Any potential, suspected, or actual violations of this Human Rights statement can be reported via the HARMAN Whistleblower Hotline. All reports will be treated as confidential to the extent possible and as permissible by law.

HARMAN Whistleblower Hotline

- Online at <https://www.whistleblowerservices.com/har/>
- By Phone: +1 (866) 296-4132 (U.S.); collect calling is available for those outside of the U.S.
- By email to HAR@openboard.info
- Available 24/7
- Reports can be made anonymously (where permitted by law)

HARMAN International Supplier Code of Conduct

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HARMAN SUPPLIER CODE OF CONDUCT

This Supplier Code of Conduct (the "Code") applies to all suppliers (and their sub-suppliers) to HARMAN International Industries, Incorporated and its affiliates (collectively, "HARMAN"). This Code is considered an integral part of HARMAN's business relationship with its suppliers and forms a part of any contract or agreement between HARMAN and its suppliers. All Suppliers of HARMAN, including their officers, directors, employees, representatives, and agents (collectively, "Suppliers") must meet the standards of conduct expressed in this Code and must conduct human rights and environmental due diligence in line with this Code and its standards through the establishment of an effective management system. Suppliers are subject to audit by HARMAN to ensure compliance with these standards. Any failure to comply with this Code will constitute a breach of any contract or agreement between HARMAN and the supplier and may result in corrective action, up to and including termination of the agreement.

1 RESPONSIBLE BUSINESS PRACTICES

1.0 Integrity

Suppliers must uphold the highest standards of integrity in all business interactions. Suppliers may not offer any gift, gratuity, or any form of privilege to any HARMAN employee. Suppliers shall not engage in, endorse, or tolerate, directly or indirectly, any forms of corruption, including what are known as facilitation payments (payments to speed up the performance of routine tasks by officials). Suppliers also may not directly or indirectly offer or give anything of value to any government official or employee, political party official, political candidate, or commercial entity to influence their decisions or secure an improper advantage. Gifts, meals, or entertainment are permitted only if they are ordinary and reasonable, of limited value, consistent with accepted business practices and accepted ethical standards, and do not violate any law. HARMAN is subject to US law, including the Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act 2010 ("UK Bribery Act"), and all applicable laws in the countries in which we conduct business. Suppliers must comply with the FCPA and the UK Bribery Act, and HARMAN encourages Suppliers to maintain an FCPA and UK Bribery Act compliance program. Suppliers must comply with all applicable laws in other countries concerning bribery, corruption, and related matters. Suppliers must have a zero-tolerance policy and due diligence processes in place to prohibit all forms of bribery, corruption, extortion and embezzlement in its dealings and in its supply chains.

1.1 Conflicts of Interest

Suppliers must avoid personal and financial interests which could conflict with their responsibilities to HARMAN. Suppliers must immediately disclose to HARMAN any situation that could constitute an actual



or potential conflict of interest. This includes a conflict between HARMAN's interests and the interests of Suppliers, such as a HARMAN employee, officer, director receiving professional, private, and/or significant financial advantages or other benefits in any of the Supplier's businesses.

1.2 Fair Competition

Suppliers must operate their business in alignment with fair business, advertising, and competition, and in accordance with applicable anti-trust laws.

1.3 Disclosure of Information

All business dealings must be transparently performed and accurately reflected on Supplier's business books and records. Information regarding Supplier labor, health and safety, environmental practices, business activities, structure, financial situation, and performance must be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

1.4 Intellectual Property

Suppliers must respect intellectual property rights. Transfer of technology and knowledge must be done in a manner that protects intellectual property rights. Customer and supplier information must be safeguarded against misuse, mishandling, counterfeit, theft, fraud, or improper disclosure in accordance with applicable law and HARMAN International contractual terms.

1.5 International Trade Controls and Sanctions

Suppliers must comply with all applicable sanctions, trade embargoes, and export control regulations. These regulations may include, but are not limited to, any applicable dual-use export controls. Suppliers must ensure that they are not, and are not involved in business with, parties that are subject to relevant sanctions, denied parties list, or located in embargoed jurisdictions. Suppliers must maintain accurate and truthful information of related customs activities and provide the same to customs or other authorities when requested. Suppliers shall not perform any act which would cause HARMAN to be in violation of or exposed to adverse consequences under the applicable export control regulations, economic sanctions, embargoes, and other trade restrictions. Suppliers shall not supply to HARMAN any goods, software, technology, technical data, or services that are sourced from a restricted party or that have trans-shipped or transited through a country that is subject to sanctions.

1.6 Protection of Identity and Non-retaliation



Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers¹ must be maintained, unless prohibited by law. Suppliers must have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

1.7 Privacy and Data Protection

Suppliers must comply with applicable information security, privacy and data protection laws with respect to the collection, use, disclosure, retention, disposal, or other processing of personal information (as such term may be defined under applicable privacy and data protection laws) and other sensitive data (such as HARMAN's intellectual property and private data). To the extent Suppliers receive or otherwise handle personal information from or on behalf of HARMAN, Suppliers must comply with all contractual obligations it has with HARMAN with respect to such personal information. Suppliers must implement reasonable and appropriate administrative, technical, and physical safeguards to protect the confidentiality, integrity, and availability of such information and to prevent unauthorized access, use, or disclosure of such information. Suppliers must comply with data privacy and security regulations for the use of Artificial Intelligence (AI) and comply with applicable laws and regulations in developments using AI. Suppliers are expected to follow international best practices for cybersecurity such as ISO 27000 or equivalent. In case information security has been violated, Suppliers have the obligation to inform HARMAN immediately.

1.8 Compliance with Applicable Law

Suppliers must comply with the applicable legal requirements and standards under the laws of each country in which (1) Suppliers operate, (2) where Suppliers' products are delivered to HARMAN, and (3) where HARMAN has notified Suppliers that Suppliers' products will be sold. Suppliers must adhere to internationally recognized standards such as the United Nations Guiding Principles on Business and Human Rights, the United Nations International Bill of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. This includes, but is not limited to, the laws and regulations governing the following: bribery and corruption, money laundering, environmental standards, health, safety, employment, child labor, forced labor, human trafficking, discrimination, freedom of association and collective bargaining, human rights, conflict minerals, exports, biodiversity, deforestation, animal welfare, imports (e.g., valuation, classification, duty and tariff treatment, and country-of-origin marking requirements), economic or trade sanctions, or boycott prohibitions. Suppliers must take the necessary steps to identify and rectify any cases or risks of money laundering and the funding or facilitation of any criminal activity arising as a result of its business

¹ Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.



operations and the business operations of its suppliers, as well as establish suitable preventive measures for this purpose. Suppliers must ensure documentation and information about their products will be available to HARMAN when needed to comply with applicable laws or regulations.

1.9 Truthful and Fair Dealings

Suppliers must comply with relevant labeling laws and regulations and be honest with HARMAN's customers. Suppliers must make sure all product labels and descriptions are clear, accurate, truthful, and not misleading. Suppliers must include all appropriate disclaimers, disclosures, and warranties, and support any claims made with adequate substantiation. Suppliers shall treat our customers equitably and provide excellent customer experiences to all regardless of individuals differences. Advertising, sales, and promotional materials should be fair, truthful and transparent. Suppliers should be alert for fraudulent and suspicious transactions, and follow trainings and policies designed to prevent product and services from being used to facilitate illicit activity.

2 ENVIRONMENT, HEALTH, AND SAFETY

Suppliers must comply with applicable environmental, health and safety standards, and provide safe and healthy working conditions for their employees. Suppliers must actively support HARMAN in minimizing potential adverse environmental, health and safety impact during the various phases of the life of the HARMAN products from development to disposition through manufacturing, disposition and usage. All required environmental permits (e.g., discharge monitoring), approvals, and registrations shall be obtained, maintained, and kept current, and their operational and reporting requirements shall be followed.

2.0 Occupational Health and Safety

Suppliers must provide safe and healthy working conditions for their employees and non-employee workers which shall be maintained through ongoing, systematic monitoring of workers' health and working environments. Potential or actual worker exposure to health and safety hazards (e.g., chemical, electrical and other energy sources, fire, vehicles, fall hazards, hazardous substances, excessive physical and mental stress) must be identified, assessed, and controlled through proper design, engineering and administrative controls, preventative maintenance, healthy/safe work procedures (including lock out/tag out), and ongoing health and safety training. Worker exposure to chemical, biological, and physical agents shall be identified, evaluated, and controlled according to the Hierarchy of Controls (Elimination, Substitution, Engineering Controls, Administrative Controls, and Personal Protective Equipment).

Insofar as the product manufacture or the provision of services may have a significant impact on the health and safety of its employees, Suppliers will undertake to implement and operate a recognized and certified occupational health and safety management system (for example, in accordance with ISO 45001) and provide evidence of this by way of a corresponding certificate. Where hazards cannot be adequately controlled by these means, workers must be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards at no cost to the workers. Reasonable steps must also be taken to remove pregnant women and nursing mothers from working conditions with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, and include reasonable accommodations for nursing mothers.

2.1 Occupational Injury and Illness

Procedures and systems must be in place to prevent, manage, track and report occupational injury and illness including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate return of workers to work. Suppliers must allow workers to remove themselves from imminent harm, and not return until the situation is mitigated, without fear of retaliation.

2.2 Sanitation, Food and Housing

At a minimum, workers must have access to first-aid, fire exits, safety equipment, potable water, clean/operational toilet facilities, and sanitary food preparation, storage and eating facilities. If residential facilities are provided, they must be clean and safe with adequate personal space, entry and exit privileges, emergency egresses, heat and ventilation, water for bathing and showering, respect for workers' privacy, and satisfy all applicable legal requirements and this Code. Their access must not be restricted inappropriately. Suppliers will assign specific individuals with defined responsibilities for ensuring facilities have adequate fire prevention and extinguishing equipment in place, and that it is regularly inspected, tested, and maintained.

2.3 Emergency Preparedness

Potential emergency situations and events must be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training, and drills. Emergency drills must be executed at least annually or as required by local law, whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate



exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures must focus on minimizing harm to life, the environment, and property. Suppliers must ensure an appropriate number of emergency exits, escape routes and emergency assembly points, all of which are marked with sufficient signage. In case of an accident, first aid and medical assistance must be provided. In the event of work-related health hazards, such as pandemics, Suppliers shall take all appropriate measures to protect their employees and the company.

2.4 Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans or the environment must be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling, reuse, and disposal. Suppliers must comply with the provisions of the following conventions: the Minamata Convention (on the use of mercury), the Stockholm Convention (on persistent organic pollutants), the Basel Convention (on the control of transboundary movements of hazardous wastes and their disposal), and all other local, national and international laws and regulations prohibiting or controlling the production, use, handling, and disposal of particular chemicals and other materials (e.g. European Regulation (EC) No. 1907/2006 (REACH)). Hazardous waste data shall be tracked and documented.

2.5 Physically Demanding Work and Machine Safeguarding

Suppliers shall identify, evaluate, control and reduce worker exposure to ergonomic risks, including but not limited to prolonged standing, sitting, improper working and/or lifting positions, repetitive movements, or physical load. Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers shall be provided and properly maintained where machinery presents an injury hazard to workers.

2.6 Health and Safety Communication

Suppliers must provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information must be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training must be provided to all workers prior to the beginning of work and regularly thereafter. Protective occupational health and safety programs shall be ongoing and include educational materials about the risks associated with exposure to workplace hazards. Workers must be encouraged to raise any health and safety concerns without retaliation. Suppliers that have employees performing work on HARMAN premises shall make sure that employees are informed about and comply with local HARMAN health and safety procedures. Health



information and training shall include content on specific risks to relevant demographics, such as gender and age, if applicable. Conditions posing an imminent risk to the health and safety of workers, and incidents involving loss of life, significant disruption to operations, significant injury, and significant loss of property should be reported to HARMAN and the appropriate governmental authority in accordance with local requirements.

2.7 Emission and Pollution

Emissions and discharges of pollutants and generation of waste must be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means. Suppliers must support HARMAN's emissions reduction targets related to climate change, air pollution, and water pollution. Suppliers must implement environmental management systems (for example, in accordance with ISO 14001) and comply with all applicable environmental regulations and standards. Upon HARMAN's request, Suppliers shall provide data for a lifecycle assessment relating to orders placed by and supplied to HARMAN. Suppliers must disclose environmental information such as greenhouse gas emissions, energy consumption, water consumption, air emissions, wastewater, solid waste, as required by applicable law or upon request by HARMAN.

2.8 Energy Consumption and Greenhouse Gas Emissions

Energy consumption and all relevant Scopes 1, 2, and significant Scope 3 greenhouse gas emissions ("GHG") must be tracked, documented and publicly reported as required by applicable law. Suppliers shall establish and report against a science-based GHG reduction goal in alignment with Paris Agreement. Suppliers must look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

To reduce GHG emissions Suppliers must prioritize the principles of avoidance and reduction through establishing a robust energy management system, reducing energy consumption, and using energy efficient technologies, low-carbon materials, and renewable energy sources in own operation and supply chains. Suppliers should align their efforts with HARMAN's ambition for climate action and commit to material- and component-specific targets. Suppliers are encouraged to have their climate protection targets assessed using recognized scientific methods such as the Science Based Targets initiative (SBTi). Suppliers should extend these expectations to their own supply chain. Upon request, Suppliers shall disclose relevant GHG emissions and reduction progress to HARMAN, particularly in relation to its CO2 footprint at the product level and/or an allocation of Suppliers' emissions to HARMAN. HARMAN encourages Suppliers to commit to 100% renewable electricity for their operations and to report progress annually to CDP. Suppliers are encouraged to pursue certification for their energy

management system, such as ISO 50001.

2.9 Environmental Permits and Reporting

Suppliers must obtain, maintain and keep current all required environmental permits, licenses, registrations, and approvals, as well as any operational reporting requirements as identified in applicable laws, standards, ordinances, rules, codes, guidelines and regulations.

2.10 Air Emissions

Where applicable, Suppliers must adhere to all local laws and regulations related to air emissions. A list of any identified hazardous air emissions must be made available upon request. Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations must be characterized, routinely monitored, controlled, and treated as required prior to discharge. Ozone-depleting substances must be effectively managed in accordance with the Montreal Protocol and applicable regulations. Suppliers must conduct routine monitoring of the performance of their air emission control systems.

2.11 Biodiversity, Land Use, Deforestation and Animal Welfare

Suppliers must avoid contributing to or benefitting from illegal conversion of natural ecosystems, specifically illegal deforestation and the conversion of natural forests into usable areas (especially key biodiversity areas impacted by their operations) in accordance with international biodiversity regulations. Suppliers must conduct thorough due diligence to identify any potential risks of deforestation and natural ecosystem conversion within their supply chains. Suppliers of products with deforestation risk must provide HARMAN with all information necessary to demonstrate that due diligence was exercised and that the relevant products are deforestation-free and produced in accordance with the laws of the country of production. Suppliers must follow national and international rules regarding animal protection and animal testing, following the 3R principle regarding animal testing (reduction, refinement, replacement).

2.12 Soil Quality

Where appropriate, Suppliers must monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence and contamination.

2.13 Noise Emissions



Where appropriate, Suppliers should monitor and control the levels of industrial noise to avoid noise pollution.

2.14 Restricted Substances

Suppliers must adhere to all applicable laws, regulations, and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal. Suppliers must comply with all applicable product environmental laws including those regulating toxic materials, air emissions, wastewater discharge, waste treatment and disposal. No products are to be designed, developed, manufactured or sold without adherence to applicable product composition regulations in effect. Suppliers must identify and disclose to HARMAN all chemicals in products that are regulated by a government or other authority in the applicable jurisdiction where they are being used. Suppliers warrant to comply with applicable laws, including Toxic Substances Control Act (hereinafter "TSCA"), California Proposition 65, Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the Restriction on Hazardous Substances (RoHS), and will provide any information required by HARMAN to permit HARMAN to comply with these laws.

2.15 Water Management

Suppliers must implement a water management program that: documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. This includes tracking water usage at various stages of operations and identifying areas where water conservation efforts can be implemented. All wastewater must be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Suppliers must conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance. An inventory of all wastewater, including domestic wastewater and industrial wastewater must be made available upon request. Suppliers must consider the collection and reuse of water and rainwater in their production processes.

2.16 Circularity and Waste Management

Suppliers must increase the use of recycled and renewable materials where technically and economically possible. Suppliers must improve the recyclability of products through material selection and product design as approved, report the percentage of recycled content in their products, and make this information available to HARMAN upon request. We encourage Suppliers to take adequate measures throughout the product lifecycle to avoid waste, re-use resources, recycle, safely dispose of residual waste, chemicals, and wastewater, and eliminate/divert waste from landfills. Suppliers must implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste

(non-hazardous). Waste data must be tracked and documented.

3 LABOR AND HUMAN RIGHTS

Suppliers must uphold the human rights of workers and treat them with dignity and respect as expressed in the UN's International Bill of Human Rights, the principles concerning fundamental rights set out in the ILO's Declaration on Fundamental Principles and Rights at Work, and, at a minimum, the laws of the countries in which they operate. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. Workers must be legally entitled to work in the country in which they are employed and must be granted the protections and rights granted to legal workers in that country.

3.0 Prohibition of Child Labor

HARMAN prohibits the use of child labor in its supply chain (including HARMAN's suppliers and their sub-suppliers). A "child" is any person under 15 years of age, or as defined by the International Labor Organization Conventions, national laws, or any other applicable law or standard, depending upon which is the most stringent. Suppliers must provide substantiation of this verification mechanism upon request. Suppliers must have adequate policies, risk assessments and due diligence processes in place to prevent child labor throughout supply chains, including remediation plans addressing situations if child labor is detected at its business partners or subcontractors. Workers under the age of 18 (Young Workers) must not perform work that is likely to jeopardize their (physical or mental) health, safety or morals, including night shifts, hazardous work, and overtime. Suppliers must responsibly manage student workers by performing rigorous due diligence on educational partners, keeping appropriate student work records, and protecting student workers' rights. At all times, Suppliers must respect compulsory education laws. Any potential case of child labor must be immediately reported to HARMAN.

3.1 Prohibition of Forced Labor

Forced labor in any form, including but not limited to bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery, or trafficking of persons is not permitted by Suppliers or anywhere in the supply chain. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There must be no unreasonable restrictions on workers' freedom of movement in the facility or unreasonable restrictions on entering or exiting company-provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process all workers must be provided with information in writing in their native language, or in a language the worker can understand, that contains



a description of terms and conditions of employment. Suppliers must have adequate policies, risk assessments, and due diligence processes in place to prevent forced labor and modern slavery in their operations and supply chains, including remediation plans addressing situations if forced labor or modern slavery is detected at its business partners or subcontractors. Suppliers must not use forced labor or engage in or support human trafficking. This includes not supplying HARMAN with products that incorporate materials mined, produced, manufactured, loaded, or transported with forced labor.

Foreign migrant workers must receive the employment agreement prior to the worker departing from their permanent place of residence. There shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country, unless these changes are made to meet local law and provide equal or better terms.

All work must be voluntary, and workers must be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per the worker's contract. Suppliers or contracted brokers may not mislead or defraud potential workers about the nature of the work. Suppliers must maintain documentation on all leaving workers. Employers, agents, and sub-agents' must not hold or otherwise destroy, conceal, or confiscate identity or immigration documents such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers must not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment, or pay off a loan by working for an agreed-upon or unclear period of time for little or no salary with the work performed greatly exceeding the worth of the initial loan. If any such fees are found to have been paid by workers, such fees must be repaid to the worker. If it is necessary for Suppliers to use a labor broker, Suppliers will only use brokers that employ ethical recruitment practices, comply with applicable laws, and do not withhold identity documents. Supplier must comply with applicable laws such as the ILO Conventions No. 29 on Forced Labour and No. 105 on the Abolition of Forced Labor and the California Transparency in Supply Chains Act of 2010, and disclose information to HARMAN for HARMAN's compliance with law.

3.2 Freedom of Association and Right to Collective Bargaining

Suppliers must respect and not interfere with the rights of workers in forming, joining, organizing, representing, and administering trade unions of their choice, bargaining collectively, and engaging in peaceful assembly, to the extent in compliance with applicable law and ILO core conventions. Suppliers must ensure workers and representatives, as well as human rights and environment defenders, are not subjected to discrimination, harassment, intimidation, or retaliation for participating in unions or exercising their rights of freedom of expression, association, peaceful assembly and protest. Where local law restricts the right to freedom of association and collective bargaining, Suppliers should seek

alternative ways to best respect the principles of ILO Conventions No. 87 on Freedom of Association and No. 98 on the Right to Organize and Collective Bargaining. Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

3.3 Discrimination and Harassment

Suppliers must be committed to a workplace free of harassment and unlawful discrimination. Suppliers must not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity, gender expression, ethnicity, national or social origin, health status, physical or mental limitations, pregnancy or parenthood, religion or belief, political affiliation, union membership, covered veteran status, protected genetic information, marital status, or language in hiring and employment practices such as wages, promotions, rewards, and access to training, unless it is justified by the requirements of employment. Workers must be provided with reasonable accommodation for religious practices and disability as appropriate and necessary. In addition, workers or potential workers must not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way, in accordance with International Labor Organization No. 111 Discrimination (Employment and Occupation) Convention. Suppliers should promote women's rights and avoid unfair treatment by providing equal opportunity in employment and committing to equal pay for equal work.

3.4 Working Hours

Working hours must be documented and communicated to workers, and must not exceed the maximum set by local law. A workweek must not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime by a worker must be voluntary. Workers must be allowed at least one day off every seven days. Where overtime is required, our Suppliers must clearly communicate such requirements. Suppliers must maintain reasonable working hour schedules for its employees to prevent quality and safety incidents, and to minimize strains on employees' physical and mental health. Suppliers will control working hours by assigning individuals with defined responsibility and accountability for comprehensive production and/or staffing planning and ensuring that contributing factors are controlled.

3.5 Compensation

Compensation paid to workers must comply with all applicable wage laws and applicable agreements,

including those relating to minimum wages, hours, overtime hours and legally mandated benefits and in any case shall be a living wage. In compliance with local laws, workers must be compensated for overtime at pay rates greater than regular hourly rates (or where permitted by law, agree in advance to time off in lieu of a higher hourly rate), and receive equal pay for equal work and qualification. Deductions from wages as a disciplinary measure are not permitted. For each pay period, workers must be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor must be within the limits of the local law. In the absence of local law, the wage rate for student workers, interns, and apprentices should be at least a substantially similar wage rate as other entry-level workers performing equal or similar tasks. Workers must be paid directly, in a timely fashion, and in recognized currency.

3.6 Disciplinary Practices

Suppliers must always demonstrate respect for each worker's mental, emotional, and physical integrity in disciplinary and performance processes, and ensure other serious human rights violations and abuses are prohibited in their own area of responsibility and along the supply chain. Suppliers will not engage in harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Non-arbitrary and effective procedures must be used for giving written/formal warnings regarding an employee's performance and job security and for dispensing disciplinary procedures if required. Suppliers must report all credible threats or concerns of workplace violence to HARMAN.

3.7 Security

Suppliers must not tolerate unlawful conduct of any kind on the part of security staff towards employees or third parties. Suppliers warrant that service providers delivering security services are contractually bound to respect human rights and undergo appropriate training wherever necessary. Suppliers must not contribute directly or indirectly to supporting private or public security forces that unlawfully exercise control over mining sites, transportation routes, and upstream stakeholders in the supply chain.

3.8 Conflict Minerals

Suppliers must comply with applicable laws and regulations regarding conflict minerals which currently include tin, tungsten, tantalum, and gold. Any conflict minerals contained in Suppliers' products must not directly or indirectly perpetuate human rights abuses. Suppliers must exercise due diligence on the source and chain of custody of these minerals and require the same from their supply chain. Suppliers



are required to design and implement reasonable processes to ensure transparency related to the content and materials comprising all products manufactured for HARMAN which may include gold, tantalum, tin, and tungsten and the ores from which they are derived. Suppliers are required to communicate, to the best of their knowledge, the country of origin and content of the products manufactured for HARMAN and to determine whether these products contain “conflict minerals” as defined by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Suppliers are required to assist HARMAN with its conflict minerals compliance by making a reasonable, good-faith effort to answer any questions and to provide all declarations in the form requested by HARMAN. Suppliers represent and warrant that, based on a good faith inquiry and except as otherwise separately disclosed in writing, its products do not contain any conflict minerals as defined in Section 1502 of the Dodd-Frank Wall Street Reform Consumer Protection Act and similar Laws or as designated by the U.S. Secretary of State. Upon HARMAN’s request, Suppliers must provide to HARMAN evidence of its due diligence supporting this representation and warranty.

Suppliers must adopt a policy and exercise due diligence on the source and chain of custody of minerals or raw materials of concern, such as tantalum, tin, tungsten, gold, mica and cobalt, in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework. Suppliers agree to conduct adequate due diligence to identify, prevent, minimize, or eliminate these risks, including making a reliable determination of the origin and source of the raw materials, and to disclose the information to HARMAN upon request. Suppliers are expected to exclude smelters or refiners for minerals of concern that do not have an adequate and audited due diligence process. Suppliers must inform HARMAN immediately of any breach that Suppliers becomes aware of.

4 COMMUNITIES

Suppliers must respect the human rights of local communities, including minorities and Indigenous people, in developments that affect them and the lands on which they live, with consideration for the presence of vulnerable groups. HARMAN expects Suppliers to avoid forced eviction and deprivation of land, forests and water in the acquisition, development or other use of the land, forests and waters. Suppliers must uphold the principles of free, prior, and informed consent of indigenous peoples prior to project or activities that may affect their lands, resources, and rights in line with ILO Convention No. 169.

5 MANAGEMENT SYSTEMS

5.0 Supplier Policy and Management System



Suppliers must have a policy and risk management system, endorsed by executive management, which aligns with HARMAN’s sustainability goals, complies with this Code’s requirements, and affirms their commitment to due diligence and continuous improvement. Suppliers must acknowledge their responsibility to implement a risk-based due diligence process to identify and assess actual or potential adverse human rights and environmental impacts from their own operations and value chain. Suppliers must take appropriate measures to prevent or adequately mitigate identified potential adverse impacts, end or minimize actual adverse impacts, and provide remediation where it has caused or jointly caused an actual adverse impact. Suppliers must provide a notification mechanism and complaints procedure and seek to conduct effective engagement with stakeholders in the due diligence process. Suppliers must have a process in place to identify and periodically review the adequacy, suitability, and continuing effectiveness of their policies, procedures, and performance results in meeting the requirements of this Code and other applicable laws, regulations, and customer requirements. Suppliers must disclose relevant information where required by applicable law or upon HARMAN's request. Suppliers must identify the top management responsible for implementing the management systems or associated programs. Suppliers must establish written performance objectives, targets, and implementation plans to improve their social, environmental, and health and safety performance, including a periodic assessment of Suppliers’ performance in achieving those objectives.

5.1 Worker Feedback, Participation, and Grievance

Suppliers must have ongoing processes, including an effective grievance mechanism, to obtain feedback from workers, their representatives, and other stakeholders where relevant or necessary on operational practices and conditions covered by this Code and to foster continuous improvement. Suppliers will also have a process in place for subcontractors, the community associated with Suppliers’ operations, and other stakeholders to raise concerns, anonymously or not, of misconduct to Suppliers without fear of retaliation. Workers and other stakeholders, including human rights and environment defenders, must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation. Suppliers will prohibit all forms of retaliation against those who raise concerns in good faith. Suppliers will also appropriately investigate reports and take corrective action, if needed.

5.2 Documentation and Audits

Suppliers must create and maintain documents and records to meet regulatory compliance and demonstrate compliance with this Code. If requested, Suppliers will complete questionnaires and permit HARMAN or its representatives (including any third-party auditing organization engaged by HARMAN) to audit its books and records, facilities, and operations to verify compliance with this Code. Suppliers must take any action to correct any non-compliance.



5.3 Supplier Responsibility

HARMAN regards compliance with this Code as a crucial aspect of its business relationships. HARMAN expects Suppliers to fully embrace the values outlined in this Code and to integrate them into their daily operations through effective and capable management. Suppliers must proactively identify and evaluate legal and other obligations and provide appropriate training to employees to ensure compliance with this Code. If a violation of this Code cannot be resolved immediately, HARMAN, together with Suppliers and/or relevant third parties, will develop and implement a corrective action plan. The objective is to eliminate the violation within a specific timeframe and minimize its impact. Suppliers must actively support HARMAN with the preparation and implementation of a plan to prevent, stop, or minimize the violation.

Failure to meet the expectations set forth in this Code may prompt HARMAN to take appropriate measures, including the potential suspension or termination of the supply relationship. It is imperative for Suppliers to recognize the significance of sustainability and align their practices accordingly to maintain a mutually beneficial and sustainable partnership with HARMAN. Suppliers must have a process to communicate these Code requirements through their supply chain and to require their suppliers to adopt management systems and practices for compliance with this Code, or requirements materially consistent with this Code. Suppliers must require, support, and monitor their suppliers and sub-supplier's compliance with this Code, including the requirements to complete questionnaires, provide additional information and certification, and to permit audits by HARMAN and its representatives. HARMAN must have visibility to its entire supply chain regarding the standards addressed in this Code. Upon request, Suppliers will provide evidence of efforts to cascade this Code, or requirements materially consistent with this Code, through their supply chains. Any violations of this Code within the supply chain may result in termination of the Supplier's business relationship with HARMAN. Subject to any restriction imposed by law, Suppliers will promptly inform HARMAN of any concern related to issues governed by this Code and collaborate with HARMAN in subsequent investigations. HARMAN policy prohibits retaliation against any person reporting such a concern. To report a concern, Suppliers can always speak directly to their HARMAN Global Purchasing and Supply Chain representative. In addition, the HARMAN Speakup Hotline (<https://harman.onetrustethics.com/>) allows employees, contractors, suppliers, and others to report concerns of misconduct affecting HARMAN. Individuals can file a report 24 hours a day, 7 days a week by phone, web, or email. Individuals filing reports on the HARMAN Speakup Hotline can remain anonymous, as permitted by law. Suppliers will communicate to their workers and suppliers the requirements of the Code and the access to HARMAN's Speakup Hotline.

5.4 Supply Chain Transparency

Suppliers must maintain transparency in their operations, providing relevant information to HARMAN about their environmental performance, responsible sourcing efforts, and supply chain practices.



Suppliers must have a process for communicating clear and accurate information about their policies, practices, expectations, and performance to workers, suppliers, and customers. Suppliers shall provide information to HARMAN to permit HARMAN to comply with all applicable laws, including but not limited to Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD), Carbon Border Adjustment Mechanism (CBAM), EU Deforestation Regulation (EUDR) and EU Battery Regulation (EUBR), EPA Final Rule (40 CFR Part 705) on PFAS.

5.5 Due Diligence

Upon request, Suppliers must provide information on their established due diligence processes. This includes completing a self-assessment questionnaire provided by HARMAN and submitting relevant documents. Additionally, Suppliers must provide unsolicited information about identified risks and mitigating measures, and documentation of their due diligence measures upon request.

6 ADDITIONAL POLICIES

Suppliers must comply with all policies published on the Supply Chain page of HARMAN's website (<https://www.harman.com/supply-chain>). These policies may be periodically amended without prior notice.

7 DOCUMENT HISTORY

Version 1 – Released 2016

Version 2 – Released March 2021, with revisions to language associated with an inclusive, diverse, and respectful workplace.

Version 3 – Released February 24, 2023 with revisions to several sections that provide increased alignment to the RBA Code of Conduct.

Version 4 – November 21, 2023, with revisions to several sections relating to trade compliance, human rights and due diligence, and enhanced alignment to the RBA Code of Conduct.

Version 5 – December 20, 2024, with enhancements to several Sustainability, Environmental, Social, and Governance topics.



HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED
TERMS AND CONDITIONS FOR DIRECT PROCUREMENT
(Revised Effective November 2020)

1. Documents. These Terms and Conditions are being issued in connection with a request for quotation, award letter, purchase order, release, purchase agreement, or similar document issued to Seller by **Harman International Industries, Incorporated**, or one of its affiliated companies (“Buyer”). Any reference to an “Order” in these Terms and Conditions includes any request for quotation, award letter, purchase order, release, purchase agreement, or similar document issued to Seller by Buyer. Buyer’s Supplier Quality Manual, Supplier Logistics Manual, Code of Conduct, and compliance requirements, including information security, each located and accessible at <http://www.harman.com/supply-chain>, (collectively, “Harman Policies”) are incorporated herein and apply to each Order. Seller agrees to comply with all of the requirements of the Harman Policies and failure to do so will be a material breach of this Agreement. If these Terms and Conditions are not consistent with any of the requirements of the Supplier Quality Manual, then the requirements of the Supplier Quality Manual will control. Except for paragraphs 9 (“Termination at Buyer’s Option”) and 11 (“Cancellation for Default or Breach; Buyer’s Remedies”) of these Terms and Conditions, if any other provision of these Terms and Conditions is inconsistent with the specific provisions of any Order, then the specific provisions of the Order will control. If the specific terms of any Order are inconsistent with the Supplier Quality Manual, then the specific provisions of the Order will control. These Terms and Conditions, together with the Supplier Code of Conduct, the Supplier Quality Manual, the Supplier Logistics Manual and any request for quotation, purchase order, release, purchase agreement, or similar documents issued to Seller by Buyer, constitute one agreement and may not be treated as separate contracts.

2. Acceptance. Any Order is an offer to Seller by Buyer and does not constitute an acceptance of any offer to sell or proposal made by Seller. Any reference to any offer to sell or proposal made by Seller is solely for the purpose of incorporating the description and specifications of goods and services contained in such offer to sell or proposal to the extent that such description and specifications do not conflict with the description and specifications contained in the Order. Seller’s delivery of goods, written acceptance, commencement of any work under the Order, or any other conduct by Seller which recognizes the existence of a contract with respect to the subject matter of the Order will constitute Seller’s acceptance of an Order, including these Terms and Conditions. Any additional or different terms and conditions proposed by Seller are rejected by Buyer and are not part of the Order, unless specifically accepted by Buyer in writing. Seller’s failure to obtain a written acceptance from Buyer will be conclusive evidence of acceptance of these Terms and Conditions by Seller and rejection by Buyer of Seller’s terms and conditions.

3. Shipping. (a) Seller must properly pack, mark, and store the goods that are the subject of the Order (“goods”) in accordance with the requirements of Buyer (as specified in the Supplier Quality Manual and any Order) and any carrier. (b) Seller will bear all costs of packing, marking, and storing of the goods, including any expenses incurred by Buyer as a result of improper packing, marking, or storing, unless otherwise stated in the Order. (c) Seller must reimburse Buyer for expenses incurred by Buyer as a result of improper packing, marking or shipping and for the return of rejected goods. (d) Unless otherwise provided in the Order, Seller must arrange for and bear all costs of shipping the goods, including, without limitation, the cost of customs duties, insurance, and freight. (e) All shipments must be accompanied by packing slips showing Seller’s name, order numbers and quantities. (f) If Seller submits paper invoices, original bills of lading, express receipts, etc., signed by carrier, must be attached to Seller’s invoice and mailed not later than the day after shipment. If Seller submits invoices through EDI or other electronic means, original bills of lading, express receipts, etc., signed by carrier, must be retained in Seller’s records and delivered to Buyer on demand. (g) Risk of loss will pass to Buyer upon delivery to Buyer’s facility or such other location specified on the face of the Order, except that risk of loss for excess quantities delivered to Buyer will only pass upon acceptance of such excess by Buyer. (h) Buyer may

require shipment by more expeditious method, at Seller's expense, if Seller fails to meet the required time for delivery.

4. Invoices and Payment. Seller must deliver invoices as directed in the Order or other instructions received from Buyer. Invoices must include order number, symbol number and plant and other information sufficient to enable Buyer to easily identify subject goods or services. Separate invoices are required for each individual shipment. If time for payment is not otherwise stated on the Order, the payment terms will be net 60 days. Time for payment will not begin until correct and complete invoices are received and Seller's cash discount privileges to Buyer will be extended until such time as payment is due. Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, of the absence of any liens, encumbrances or claims on the goods or services under the Order. Seller agrees that all of its accounts with Buyer (whether arising under an Order or any other agreement or arrangement between Buyer and Seller) will be administered on a net settlement basis and that Buyer may set off and recoup debits and credits, including Buyer's attorney fees and costs of enforcement, against any of Seller's accounts regardless of the basis for such debits or credits and without additional notice. In this paragraph 4, "Buyer" includes all of Buyer's affiliated companies. Seller warrants that the prices for the goods or services sold to Buyer under the Order are no less favorable than those that Seller currently extends to any other customer for the same or similar goods or services in similar quantities. If Seller offers a lower price for the same or similar goods or services to any other customer during the term of an Order, then, to the extent permitted by law, Seller will immediately offer Buyer the same price for the goods or services on the same terms and conditions as was offered to the other customer. Seller warrants that the prices shown on the Order are complete and that no additional charges of any type, including, without limitation, sales or other taxes, V.A.T. or fees will be added without Buyer's express written consent. Seller will provide detailed cost information for the bill of materials and any value-added services for each product in the format and detail specified in Buyer's request for quotation.

5. Quantity; Releases; Delivery; Excusable Delay. (a) Quantities listed in each Order as estimated are Buyer's best estimate of the quantities of goods it might purchase from Seller for the contract term specified in the Order. Any estimates or forecasts of production volumes or program durations are subject to change from time to time, with or without notice to Seller, and will not be binding upon Buyer. Orders issued for Buyer's automotive operations are based on orders received by Buyer from its customers and volumes may fluctuate based on customer orders. Unless otherwise expressly stated in the Order, Buyer makes no representation, warranty, guaranty or commitment of any kind or nature, whether express or implied, to Seller in respect of Buyer's quantitative requirements for the goods or the term of supply of the goods. (b) Unless otherwise expressly stated in the Order or an agreement, if no other quantity is stated on the face of the Order or if the quantity is blank or states the quantity as zero, "blanket," "see release," "as scheduled," "as directed," "subject to Buyer's releases" or similar terms, then Seller will supply at least 10% of Buyer's requirements for goods in such quantities as identified by Buyer as firm orders in material authorization releases, manifests, broadcasts or similar releases (collectively, "releases") that are transmitted to Seller during the term of the Order, and Seller will supply all such goods on such dates and times, at the price and on the other terms specified in the Order. If the Order covers services, Buyer is required to purchase such services to the extent expressly stated in a Statement of Work signed by Buyer. If "price" is stated as 1.000 on an Order covering installment performance of a fixed total quantity, then quantity is 1 and the number shown under "quantity" is the price. Buyer may require Seller to participate in electronic data interchange or a similar inventory management program, at Seller's expense, for notification of releases, shipping confirmation and other information. Releases are part of the Order, are governed by these Terms and are not independent contracts. Seller accepts the risk associated with lead times of various raw materials and components if they are beyond those provided in releases. (c) Delivery or performance must be made at the time and in the quantities specified in the Order, and time is of the essence. Buyer's automotive operations and its automotive customers operate on a "just-in-time" inventory system. Goods ordered for Buyer's automotive operations must be delivered on time and in the correct quantity to avoid disruptions in the production schedules of the Buyer's automotive operations and its automotive customers. If no delivery date is specified or otherwise provided for, delivery must be made within a reasonable time. Time and quantities are of the essence of the Order.

Neither party will be liable for a failure to perform that arises from causes or events beyond its reasonable control and without its fault or negligence, provided (i) the delayed party must give prompt notice of such delay; (ii) the delayed party must utilize its best efforts to (x) take all possible actions to minimize the scope and period of delay including requisition of alternate materials that are affected by the event; (y) exercise efforts to minimize or limit the damages to the other party; and (z) cooperate with the non-delayed party's information requests including granting regular reports and access to facilities; and (ii) during the period Seller is delayed, Buyer, at its option, may purchase goods from other sources and reduce the quantities set forth in the Order and will have no liability to Seller, or have Seller provide the goods from other sources in quantities and at times requested by Buyer and at the price set forth in the Order. In the event any delay lasts for more than one day, or if Seller cannot provide adequate assurance that any delay will cease within one day, Buyer may immediately cancel the Order without liability.

6. Inspection and Audit; Other Information. Buyer will have the right to enter Seller's facility at reasonable times to inspect the facility, goods, material and any property of Buyer covered by the Order and Seller's records relating to the Order. Buyer may, either directly or through a third party that Buyer designates, conduct inspections, verifications and audits of Seller's compliance with the Order, the Supplier Quality Manual, and the Supplier Code of Conduct. The fact that Buyer may have inspected, tested or failed to inspect or test any goods will not affect any rights of Buyer under the Order. Buyer's inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, will not constitute acceptance of any work-in-process or finished goods. Nothing in the Order will relieve Seller from any obligation to inspect or test the goods. If Seller is to be paid other than on a lump sum basis, Buyer will have the right at reasonable times and upon reasonable notice to audit such of Seller's records as are reasonably necessary to verify the amounts due Seller, and Seller must make such books and records available to Buyer or its designees and provide copies of such books and records to Buyer or its designees upon request. Upon request by Buyer, Seller must promptly deliver to Buyer the following financial and other information: (a) upon receipt of the Order, Seller's financial statements for the two most recently ended fiscal years (audited, if available); (b) within 90 days after the end of each fiscal year, Seller's financial statements for the most recently ended fiscal year (audited, if available); (c) within 15 days after the end of each fiscal quarter, Seller's financial statements for the most recently ended fiscal quarter; and (d) any other information that Buyer may reasonably require to demonstrate that Seller will be able to perform its obligations under the Order (including but not limited to production schedules, accounts receivable agings, accounts payable agings, and organizational charts). All financial statements (including interim financial statements) delivered to Buyer under this paragraph: (a) must be certified to Buyer by Seller's chief executive officer and chief financial officer unless they are audited financial statements; (b) must include a balance sheet, income statement, and cash flow statement; (c) must be prepared in accordance with generally accepted accounting principles consistently applied; (d) if Seller is a subsidiary or other business unit of another organization, must include financial statements (consolidated or combined) for the total organization and separate financial statements for the specific business unit.

7. Changes. (a) Changes to the Order or to the design or specifications of the goods or services and payment of extra charges will be permitted only when authorized by Buyer in writing signed by Buyer. (b) Buyer at any time in writing may change the design or specifications of the goods or services or other matters affecting the scope of Seller's work, or the method of packing and shipping, or the place of delivery, and Seller agrees to comply with such changes promptly. If any such change affects cost or time of delivery or performance, Buyer will equitably adjust the price or delivery terms of the Order after receipt of documentation in such form and detail as Buyer may direct. Any changes to the Order must be made in accordance with paragraph 18.

8. Warranties; Recalls. In addition to what is required by applicable law, Seller warrants that all goods and services covered by the Order will: (a) conform to the specifications, drawings, samples or descriptions furnished to or by Buyer; (b) be of good quality and workmanship; (c) be free of defects in design (unless Buyer provided the design), materials and workmanship; (d) be merchantable; (e) be fit for the particular purposes intended by Buyer; and (f) comply with all applicable environmental,

occupational, safety, health and other laws, rules and regulations applicable to the design, function or use of the goods. Seller acknowledges that Seller knows of Buyer's intended use and expressly warrants that all goods covered by the Order which have been selected, designed, manufactured or assembled by Seller, based upon Buyer's stated use, will be fit and sufficient for the particular purposes intended by Buyer and will have been tested to the standards provided by Buyer, and comply at all times with the standards provided by Buyer. Seller must immediately notify Buyer of any errors in specifications or drawings provided by Buyer which are patent or which are otherwise known to or should have been discovered by Seller. Seller further warrants that it has clear title to the goods and that the goods will be delivered free and clear of liens and encumbrances. Seller is aware that any components or assemblies that Seller sells to Buyer will be sold, either separately or incorporated into other products manufactured by Buyer, to original equipment manufacturers. In addition to the other warranties made by Seller in this paragraph 8, Seller warrants that all goods sold to Buyer under the Order will comply with all warranties made by Buyer in connection with the resale of the goods to the original equipment manufacturer, whether separately or incorporated into other goods. If an original equipment manufacturer makes a claim against Buyer regarding goods sold by Buyer which arises out of, results from or otherwise relates (directly or indirectly) to a breach of any warranty made by Seller in these Terms and Conditions or in the Order, then (i) Seller will have, in addition to any other obligations Seller may otherwise have under these Terms and Conditions or the Order, all of the obligations that Buyer would have to the original equipment manufacturer and (ii) Buyer will have, in addition to any other remedies it may otherwise have, all of the rights and remedies with respect to Seller resulting from such breach that the original equipment manufacturer has against Buyer. Seller will indemnify and hold Buyer harmless from the cost of any recall campaigns or other corrective service actions (whether initiated by Buyer, Buyer's customer, or any governmental agency) that are required to rectify nonconformities in the goods that are the result of defects in design (to the extent that Seller furnished the design), materials, and workmanship. Seller warrants that all materials incorporated into all goods comply with the laws regarding slavery and human trafficking of all countries in which Seller does business.

9. Termination at the Buyer's Option. (a) In addition to any other rights of Buyer to cancel or terminate the Order and regardless of any other language in the Order, Buyer may terminate its purchase obligations in whole or in part, at any time and for any reason, by written notice of termination to Seller. Buyer will have such right of termination notwithstanding the existence of an excusable delay under paragraph 5. (b) Upon such termination Buyer's obligation to Seller will be: (i) the order price for finished work and completed services that conform to the requirements of the Order, (ii) Seller's actual costs of work-in-process and parts and materials that Seller produced or acquired in connection with the Order and transferred to Buyer, (iii) Seller's actual costs of immediately terminating subcontracts and settling claims of subcontractors, and (iv) Seller's actual costs of protecting Buyer's property that is in Seller's possession. Buyer will make no payments for finished goods, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in delivery releases or schedules nor any undelivered goods which are in Seller's standard stock or are readily marketable. Buyer's obligations upon termination will not exceed those Buyer would have had to Seller in the absence of termination. (c) Seller must furnish to Buyer, within one month after the date of termination, Seller's termination claim, which must consist exclusively of the items for which Buyer may be responsible under paragraph 9(b). Buyer may audit Seller's records, before or after payment, to verify Seller's termination claim. (d) Buyer will have no obligation to Seller if Buyer cancels its purchase obligations because of breach or default by Seller under paragraphs 10 and 11.

10. Breach; Default. The following constitute events of breach or default by Seller: (a) Seller's failure to timely perform services or deliver conforming goods as specified by Buyer; (b) Seller's other failure to perform, observe or comply with or repudiation of any provisions of the Order, including Seller's warranties; (c) Seller's failure to make progress so as to endanger timely and proper completion of services or delivery of goods; (d) Seller's failure or threat not to deliver goods or perform services in connection with the Order; (e) Seller's failure to correct a failure to meet reasonable quality requirements within 10 days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying the failure; (f) Buyer cancels for breach any other Order

issued by Buyer to Seller in accordance with the terms of such other Order (whether or not such other Order is related to the Order); (g) Seller's entering or offering to enter into a transaction that includes a sale of a substantial portion of its assets used for the production of goods for Buyer or a merger, sale or exchange of stock or other equity interests that would result in a change in control of Seller, (h) Seller's failure to remain competitive with respect to quality, technology, delivery, service or pricing of the goods; (i) if the Order is governed by New York law under paragraph 25, Seller's insolvency or the filing of a voluntary or involuntary petition of bankruptcy by or against Seller, or the appointment of a receiver or trustee for Seller, or the execution of an assignment for the benefit of Seller's creditors, provided that such petition, appointment or assignment is not vacated or nullified within fifteen (15) days of such event; (j) if the Order is governed by the laws of The Peoples' Republic of China under paragraph 25, upon the bankruptcy, insolvency, dissolution, or liquidation of Seller, or the appointment of a receiver or equivalent officer in respect of the assets of Seller, or if Seller ceases to carry on business or fails to pay its debts as they become due; or (k) Seller's material noncompliance with the Order, Logistics Manual, the Supplier Quality Manual, or the Supplier Code of Conduct.

11. Cancellation for Default or Breach; Buyer's Remedies. If an event of breach or default by Seller occurs, Buyer will: (a) have all rights and remedies afforded by applicable law; (b) be entitled to reduce quantities under the Order to the extent Buyer rejects goods as nonconforming; (c) have the right to cancel all or any part of the Order, and Buyer will have no liability to Seller; and (d) be entitled to collect from Seller all of its damages, costs and expenses associated with Seller's breach, including incidental and consequential damages, court costs and attorneys' fees. In any action brought by Buyer to enforce Seller's obligations in connection with the production or delivery of goods or for possession of property, Seller acknowledges and agrees that monetary damages are not a sufficient remedy for any actual, anticipatory or threatened breach of the Order and that, in addition to all other rights and remedies that Buyer may have, Buyer will be entitled to specific performance and injunctive equitable relief as a remedy for any such breach. All rights and remedies reserved to Buyer under the Order are cumulative and in addition to all other or further remedies provided in law or equity. Buyer's payment for or acceptance of any goods under the Order will not discharge Seller from its obligations or constitute a waiver of any of Buyer's rights. Unless Buyer makes a written request, Seller may not replace nonconforming goods. Nonconforming goods will be held by Buyer for disposition in accordance with Seller's instructions at Seller's risk and expense. Seller's failure to provide written instructions within three days, or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity, will entitle Buyer, at Buyer's option, to charge Seller for storage and handling, or to dispose of the goods, and Buyer will have no liability to Seller. Payment for nonconforming goods will not constitute an acceptance of such goods, limit or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects. Seller will have no right to cancel all or any part of the Order.

12. Bailed Property. All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Buyer either directly or indirectly to Seller to perform the Order, or for which Seller has been reimbursed by Buyer, will be and remain Buyer's property. Seller will not move the property to another location without the prior written consent of Buyer. All such items must be clearly marked as the property of Buyer. Seller will bear the risk of loss of such items and must take all necessary measures to preserve Buyer's title. Seller will be responsible for any damage to such property in Seller's possession or control, including damage that occurs despite Seller's exercise of reasonable care, other than reasonable wear and tear. Such items must be properly maintained by Seller and used only for the purpose of performing the Order. Upon the request of Buyer, Seller must immediately release such property to Buyer or deliver such property to Buyer's carrier at Seller's premises. Seller will cooperate with Buyer's removal of the property from Seller's premises. Buyer will have the right to enter onto Seller's premises at all reasonable times to inspect such property and Seller's records with respect to such property. Where permitted by law, Seller waives any lien which Seller might otherwise have on any of Buyer's property.

13. Security Interest. Seller hereby grants to Buyer a security interest in all materials, work in process and finished goods to the extent of Buyer's payments, including advances made in the future, and Seller agrees that Seller's interest in such collateral is subordinated to Buyer's security interest. In the event of default by Seller, Buyer will have all rights of a secured party under applicable law. Seller authorizes Buyer to make filings of all financing statements necessary to perfect such security interest and to protect Buyer's ownership of its property under paragraph 12.

14. Proprietary Rights. Seller will indemnify, defend and hold harmless Buyer, its officers, directors, employees, agents, representatives, or successors and its customers and users from and against any claims, demands, losses, suits, damages, liability and expenses (including reasonable attorneys' fees) arising out of any suit, claim, or action for actual or alleged, direct or contributory, infringement of, or inducement to infringe on, or misuse or misappropriation of any present or future patent, patent application, copyright, trademark, industrial design right, utility right, chip mask right, trade secret or other proprietary right by reason of the manufacture, use or sale of the goods or services provided to Buyer by or through Seller. Seller's obligations will apply even though Buyer furnished all or any portion of the design. Seller grants Buyer, with respect to (i) the goods ordered under the Order, (ii) any inventions or operating software developed in the course of Seller's activities under the Order, and (iii) any patents owned or controlled by Seller which cover any application of the technology embodied in the information or data Seller acquires or develops in the course of Seller's activities under the Order, a worldwide, nonexclusive, royalty-free, permanent, paid-up, irrevocable license, with a right to sublicense, to repair and have repaired, to reconstruct and have reconstructed, to make and have made, to sell and have sold, to market and have marketed, and to use and have used, such goods, inventions, operating software and patents, and additionally in the case of software, to decompile and reverse engineer. When goods are made to Buyer's plans or specifications, the design, plans and specifications will be deemed Buyer's and may not be used by Seller for any purpose except the performance of the Order and may not be disclosed to any other person without Buyer's written permission. If the goods specified in the Order bear a trademark or trade name or other identifying mark of Buyer, no such goods, whether the result of rejects or overruns or otherwise, may be sold or otherwise disposed of to anyone other than Buyer.

15. Service and Replacement Parts. At Buyer's request, Seller will sell to Buyer (a) the goods necessary to fulfill Buyer's service and replacement parts requirements for such goods at the prices specified in the Order plus any actual cost differential for packaging, and (b) if such goods are assemblies, service and replacement parts of the assemblies at prices such that the total price of all parts of the assembly does not exceed the price of the assembly specified in the Order less assembly costs, plus any actual cost differential for packaging.

16. Indemnification. Seller will indemnify, defend and hold Buyer, its officers, directors, employees, agents, representatives, or successors and its customers and users harmless from all claims, damages and expenses (including legal/attorneys' fees) arising out of (a) Seller's breach, (b) any defect in the goods or services, (c) the design of the goods (whether or not defective) and (d) errors, omissions, negligence or other wrongful conduct of Seller or its agents or subcontractors. In any matter to which this paragraph 16 applies, Buyer and its customers and users will have the right to select and retain counsel of their own choosing, all at Seller's expense, and to participate in the defense.

17. Insurance. Seller must at all times carry and maintain insurance coverage in reasonable amounts covering workers compensation, employer's liability, comprehensive general liability (including products/completed operations and blanket contractual liability), and automobile liability. Seller must also insure all property owned or paid for by Buyer on Seller's premises (including work in process for which Buyer has paid, whether or not title has passed) against loss or damage to the full extent of its insurable value, without deductible, at Seller's cost, and must designate Buyer as the loss payee. Seller must provide evidence of such coverage to Buyer upon request.

18. Entire Agreement; Modifications. Seller agrees that the Order, including the Supplier Quality Manual, these Terms and Conditions, and any attachments, exhibits or supplements attached to the Order

or other matter incorporated into the Order by specific reference, constitutes the entire agreement between Seller and Buyer with respect to its subject matter and supersedes all prior or contemporaneous oral or written discussions, understandings, representations and agreements. The agreement may be modified only by a writing signed by an authorized representative of Buyer. Acceptance of deliveries or payment by Buyer will not be deemed acceptance or approval of any modifications proposed by Seller.

19. Severability. If any provision of the Order should be determined by a court of competent jurisdiction to be invalid, the invalidity of such provision will not affect the validity of the remainder of the Order.

20. Assignment and Subcontracting. Seller may not assign the Order, or any part of the Order, or subcontract any of its substantive duties under the Order, without Buyer's prior written approval. Such approval will not release Seller from any of its obligations under the Order. Seller acknowledges and agrees that Buyer has issued the Order on its own behalf and on behalf of its affiliated companies. Accordingly, Buyer and each of its affiliated companies will have the right to make purchases under the Order.

21. Taxes. Unless otherwise specified in the Order, the price includes all taxes, duties, tariffs and similar assessments.

22. Compliance; Supply Chain Transparency. (a) Seller must comply with all applicable laws, regulations, rules and orders, including laws regarding slavery and human trafficking. Seller will, upon request by Buyer, provide any information required by Buyer to permit Buyer to comply with all applicable laws, including U.S. export control laws. (b) Without limiting anything else in this paragraph 22 or otherwise, Seller will (i) provide to Buyer any information or access that Buyer requires in the course of Buyer's compliance with the California Supply Chain Transparency Act (Cal. Civ. Code § 1714.43) or any similar rule of law, regardless of whether such law applies to Seller, (ii) cooperate with Buyer in evaluating and addressing risks of human trafficking and slavery in all parts of Buyer's supply chain with which Seller is associated, (iii) cooperate with Buyer audits of Seller and Seller's direct and indirect suppliers to evaluate compliance by Seller and Seller's direct and indirect suppliers with Buyer's standards for trafficking and slavery in supply chains, (iv) certify that materials incorporated into all goods comply with the laws regarding slavery and human trafficking of the country or countries in which Seller does business, (v) comply with Buyer's accountability standards and procedures for regarding slavery and trafficking, (vi) provide to its personnel training, or cause such personnel to receive training from Buyer, regarding human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products. It is the expectation of the Buyer that the Seller has adopted policies and procedures that aim to reduce its effects on the environment and natural resources including the proper and legal disposal of waste. (c) Pursuant to the requirements of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and Form SD associated with Section 13(p) of the Securities Exchange Act of 1934, Seller shall comply with Buyer's Conflict Minerals Policy available at www.harman.com and with all expectations and requirements mandated thereunder (the "Policy"). Seller represents and warrants that, to its knowledge, no Conflict Minerals (as defined in the Policy) contained in any good subject to any Order, originated from the Democratic Republic of the Congo or an adjoining country, unless the Conflict Minerals were processed by a facility listed as compliant pursuant to the Conflict-Free Sourcing Initiative Conflict-Free Smelter Program or the London Bullion Market Association Responsible Gold Programme. Seller agrees to respond, or cause its subcontractors and sub-suppliers to respond, as applicable, promptly to information requests from Buyer regarding the uses, sources and chain of custody of Conflict Minerals. Any failure to comply with section is a material breach and could lead Buyer to source from alternative suppliers.

23. FCPA and Anti-Bribery Laws. As used in this paragraph 23, the term "Anti-Bribery Laws" means the U.S. Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act 2010, or any similar law or regulation. Seller must not act in any fashion or take any action that will render Buyer or any of its affiliates liable for a violation of the Anti-Bribery Laws, which prohibit the offering, giving or promising

to offer or give, directly or indirectly, money or anything of value to any official of a government, political party or instrumentality to assist Seller or Buyer in obtaining or retaining business or in carrying out Seller's duties and activities under the Order. Additionally, Seller agrees not to receive or accept any payments or other benefits from any parties associated with the performance of its duties and payments or other benefits from any parties associated with the performance of its duties and activities under the Order. Seller agrees that failure to comply with the Anti-Bribery Laws, or receipt of payment or other benefits could compromise the integrity of the work performed and, therefore, Buyer would have the right to terminate the Order immediately. Seller agrees that if any developments cause a representation or certification previously provided to Buyer, whether in a due diligence questionnaire or other document, regarding Anti-Bribery Laws to no longer be accurate or complete, it will promptly inform Buyer, in writing, of the causes and extent of the changes.

24. C-TPAT and OEA Regulations. Buyer as a participant in the security programs C-TPAT, OEA, requires Seller to adopt the practices of these supply chain international programs designed to protect against acts of terrorism, smuggling and illegal practices. Demonstration of the Seller to Buyer of the compliance of the programs will include, without limitation, the evaluation of Seller's current practices, procedures and security measures in the supply chain in relation to the compliance of the programs and the correction of the Seller potential weaknesses or security elements, as well as any breach detected during evaluation.

25. Governing Law. If Seller and Seller's ultimate parent company are organized and existing under the law of The Peoples' Republic of China, then the formation, existence, construction, performance, validity and all aspects of the Order will be governed by the laws of The Peoples' Republic of China, without regard to its conflicts of laws principles. In all other cases, the formation, existence, construction, performance, validity and all aspects of the Order will be governed by the laws of The State of New York of The United States of America without regard to its conflicts of laws principles. Regardless of which law governs the Order, Buyer and Seller agree that the United Nations Convention on Contracts for the International Sale of Goods (1980) is excluded and will not apply to the Order or the transactions contemplated by the Order. If the Order is governed by New York law, any action to resolve any dispute that has not been resolved by negotiations between executives of Buyer and Seller must be commenced in the state or federal courts sitting in the Borough of Manhattan of the City of New York. Buyer and Seller submit to the personal jurisdiction of those courts and waive any defense that jurisdiction or venue in those courts is inappropriate or inconvenient. If the Order is governed by the laws of the PRC, then, except with respect to a dispute involving the validity of any patent, which dispute will be resolved by a court of competent jurisdiction, any Dispute must be submitted to China International Economic and Trade Arbitration Commission for arbitration at Shanghai, PRC, which arbitration will be conducted in accordance with such Commission's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon Buyer and Seller. The award may be enforced by a court of competent jurisdiction without regard to geographical location. Notwithstanding the provisions of this paragraph 25, either Buyer or Seller may seek from any court of competent jurisdiction any interim or provisional relief before, during, or after any such arbitration. Seeking or complying with an order of a court granting such interim or provisional relief does not constitute a waiver of the dispute resolution provisions of this paragraph 25.

26. Waiver. Seller waives and releases any right to claim against Buyer consequential damages or liabilities including, without limitation, loss of profit, loss of business, depletion of goodwill or similar loss.

27. Special Provisions Applicable To Development Work. (a) Documents produced or acquired by Seller during experimental or development work under the Order will belong to Buyer. (b) Seller must furnish to Buyer, without restrictions of use or disclosure, the information and data Seller acquires or develops during experimental or development work specified in the Order. With respect to inventions which Seller conceives or first reduces to practice during such work, Seller grants to Buyer a permanent, paid-up, royalty-free, nonexclusive, worldwide, irrevocable license, with a right to sublicense, to make,

have made, use, have used and sell, have sold, market, have marketed, and additionally, in the case of software, decompile and reverse engineer, manufactures, compositions, software and machines, and use and have used processes covered by patents on such inventions. (c) At Buyer's request, Seller must furnish to Buyer other information and data of Seller which Buyer deems necessary to understand and apply such information and data and grant to Buyer permanent, paid-up, royalty-free, nonexclusive, worldwide, irrevocable licenses, with rights to sublicense, to make, have made, use, have used and sell, have sold, market, have marketed, and additionally, in the case of software, decompile and reverse engineer under any other patents owned or controlled by Seller which cover any application of such information and data.

28. Special Warnings. Prior to and with the shipment of goods purchased under the Order, Seller must furnish Buyer sufficient warnings and notice in writing (including appropriate labels on goods, containers and packing) of any hazardous material which is an ingredient or a part of any of the goods, together with such special handling instructions as may be necessary to advise carriers, Buyer and their respective employees of how to exercise that measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the goods, containers and packing shipped to Buyer.

29. No Implied Waiver. The failure of either party at any time to require performance of the other party of any provision of the Order will in no way affect the right to require such performance at any time in the future, nor will the waiver of either party of a breach of any provision of the Order constitute a waiver of any succeeding breach of the same or any other provision.

30. Relationship of Parties. Seller is solely an independent contractor of Buyer and neither party will be the servant, agent, partner or joint venturer of the other.

31. Quality Assurance. Seller must comply with all quality standards and quality assurance procedures specified by Buyer, including those contained in Buyer's Supplier Quality Manual.

32. Duty Drawback Rights. Any Order includes all related customs duty and import drawback rights, if any (including rights developed by substitution and rights which may be acquired from Seller's suppliers), which Seller can transfer to Buyer. Seller agrees to inform Buyer of the existence of any such rights and upon request to supply such documents as may be required to obtain such drawback.

33. Advertising; Confidentiality. Seller may not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer goods or services, or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials. In the event of Seller's breach of this provision, Buyer will have the right to cancel the undelivered portion of any goods or services covered by the Order and will not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation. All information provided by or on behalf of Buyer to Seller or its employees, agents, subcontractors, or representatives may be used only for the purpose of fulfilling an Order, and must be held by Seller, and Seller must cause its employees, agents, subcontractors, and representatives to hold such information, in strictest confidence until such time as the information becomes public through no fault of any of them.

34. Technical Information Disclosed to Buyer. Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information which Seller has disclosed or may in the future disclose to Buyer in connection with the goods or services covered by the Order. Seller must furnish to Buyer, or any other party designated by Buyer, without restrictions on use or disclosure, all information and data Seller acquires or develops in the course of Seller's activities under the Order.

35. Trademarks. Buyer grants to Seller a nonexclusive, personal, nontransferable license in the countries in which Seller manufactures goods to use Buyer's trademarks, service marks, trade names, copyrights, insignia, emblems, slogans, logos, commercial symbols, signs, and trade dress by which

Buyer products are identified and publicized (the “Trademarks”) solely for the purposes of, and in connection with, the manufacture and supply of goods under the Order to Buyer. Seller will not use any other trademark, trade name, logo or service mark in combination with any of the Trademarks. Seller may not use any translation or transliteration of the Trademarks. All uses of the Trademarks must appear identical in substance to the Trademarks as they appear in any instructions received from Buyer. Seller will comply with Buyer’s quality control policies and procedures. Seller agrees to adhere to all graphic, verbal, thematic, and other standards, specifications, guidelines, and requirements for the use of the Trademarks provided by Buyer. Seller will permit inspection of Seller’s operations and provide Buyer with product specimens and related items upon Buyer’s request. Buyer will have the right to immediately terminate this Agreement in the event Seller fails to adhere to Buyer’s quality control policies and procedures. Seller acknowledges and agrees that Buyer owns all right, title and interest in and to the Trademarks worldwide, and that Seller will not acquire and may not claim any rights in or title to the Trademarks or any translations or transliterations of the Trademarks adverse to Buyer. If at any time Seller acquires any rights in, or trademark applications or registrations for or including the Trademarks, or trade names or domain names for or incorporating the Trademarks, upon Buyer’s request and at no expense to Buyer, Seller will assign all such rights, applications, registrations or domain names to Buyer. Seller’s use of the Trademarks will inure to the benefit of Buyer. Seller is estopped from challenging the validity of the Trademarks or from asserting any claim adverse to Buyer. Upon expiration, termination, or cancellation of the Order, all licenses and rights granted by Buyer to Seller will terminate and Seller will immediately discontinue all use of the Trademarks and, at Buyer’s option, either (1) deliver to Buyer or another party specified by Buyer or (2) immediately destroy all materials bearing the Trademarks.

36. Continuing Obligations; Termination or Cancellation. Seller’s obligations under the Order (including its obligations under paragraph 15) will continue for as long as Buyer’s obligations to its customers continue. Accordingly, no termination or cancellation of the Order by Seller (including any termination or cancellation in breach of the Order and any termination or cancellation otherwise permitted under applicable law) will be effective as long as (a) the program for which the Order is issued is in development, (b) the program for which the Order is issued is in production, or (c) Buyer has an obligation to deliver service or replacement parts for the program for which the Order is issued.

37. Waiver of Jury Trial. Each of Buyer and Seller acknowledges that the right to a trial by jury is a constitutional right. Each of Buyer and Seller also acknowledges that the constitutional right to a trial by jury may be waived. After consulting with their respective attorneys or having the opportunity to do so, Buyer and Seller knowingly and voluntarily waive all rights to a trial by jury regarding any dispute whatsoever that may arise in connection with the Order.

Supplemental Provisions Applicable to Tooling

38. Tooling Order. If the Order relates to tooling or related capital items, Seller will design and fabricate, rework, or acquire from such sources as Buyer has given prior approval, and install the tools, dies, fixtures, molds), or patterns, described in the order (“Tooling”), subject to these Terms and Conditions.

39. Samples, Status. Seller must, at its own expense, manufacture a reasonable number of sample parts on the Tooling for inspection or testing by Buyer to ensure the capability of the Tooling to produce parts which meet applicable industry quality standards and Buyer’s quality standards. In addition to Seller’s obligations under paragraph 8, to the extent technically feasible, the Tooling must be designed and fabricated to be sufficiently durable to support the manufacture of all production and service requirements through the production and service lifetime of the part and also permit the production of Buyer’s subsequent service and replacement requirements. The Tooling will be deemed to be completed when the necessary samples have been submitted and approved by Buyer. Buyer may request Seller to furnish semi-monthly (or more frequently at Buyer’s option) status reports on the construction or acquisition of the Tooling. Each status report must identify the Tooling, identify the subcontractors working on the Tooling, if any, and designate the percentage of completion of the work. Seller will notify

Buyer immediately upon becoming aware that the Tooling may not be completed by the completion date specified in the Order and Seller must furnish to Buyer a schedule of the actions that Seller will take, at Seller's expense, to achieve completion on the specified completion date.

40. Title, Identification. All right, title, and interest in and to any part of the Tooling will pass to Buyer as soon as it is acquired or fabricated in accordance with the Order. None of the Tooling may be used in the production, manufacture or design of any goods or materials except to the order of Buyer. All Tooling in the possession of Seller will be deemed to be bailed property. Seller will (i) properly house and maintain such property on Seller's premises, (ii) prominently mark it Property of Buyer, (iii) refrain from commingling it with the property of Seller or with that of a third party, and (iv) adequately insure it against loss or damage. Seller will indemnify Buyer against any claim adverse to Buyer's ownership of the Tooling, except as such claims may result from any acts or omissions of Buyer. To the extent permitted by law, Seller waives its right to object to the repossession of the Tooling by Buyer in the event Seller is involved in bankruptcy proceedings. While in its possession, Seller, at Seller's expense, must maintain the Tooling in first class condition and immediately replace any items which are lost or destroyed or become worn out. All repaired or replaced Tooling will be the property of Buyer. Wear and repair of the Tooling is Seller's responsibility. None of the Tooling may be removed from Seller's premises without Buyer's written consent. Seller must keep such records in relation to the Tooling as Buyer may reasonably require. Seller may not sell or otherwise convey any product using Buyer's Tooling to any party other than Buyer, except where specifically authorized by Buyer in writing. Seller's responsibility under this paragraph continues beyond the expiration date of the related parts Order. If the Tooling is not utilized to produce any parts for Buyer for a period of five years, Seller must so notify Buyer and request instructions as to the disposition of the Tooling. If Seller subcontracts all or any portion of the manufacture of the Tooling, Seller must so notify Buyer in advance and obtain for Buyer all of the rights contained in this paragraph from each such subcontractor used by Seller.

41. Tooling Invoices, Payment. Upon completion of Tooling, and upon approval by Buyer of the initial samples manufactured by Seller, Seller will furnish an invoice to Buyer at the billing address on the face of the Order. Payment for Tooling will be made in accordance with Buyer's normal payment terms unless stated otherwise on the Tooling Order. If the Order designates that it is not competitively placed or based on affordable targets, Buyer's payment obligation will be no more than the specified maximum, if any, for (i) Seller's actual costs for purchased materials and services (including purchased Tooling and portions thereof), and (ii) Seller's actual cost for direct labor and overhead. Seller must establish a reasonable accounting system that enables ready identification of Seller's cost.