Environmental Compliance and Manufacturing Processes for HDL Products (Lead)

HDL is committed to innovation and excellence in all aspects of our businesses including environmental protection. We are monitoring the progress of the "lead-free" movement and its associated commercialization for an insertion opportunity. At this time, the potential risks associated with the current state of the art (in the process technology) relative to our products preclude the use of lead-free parts and/or processes.

Requirements as of November 2004 provide a waiver for all Military designated products. Any items produced that have only a military operational purpose are <u>EXEMPT</u> from the WEEE and RoHS requirements by definition. Those items produced by HDL Research Lab, Inc. have been reviewed and are found to comply with the requirements imposed for this exemption/exclusion. Thus, our products may be deemed to comply with the requirements through the exemption or; in the alternative, the requirements may not apply to our products as a result of their end-item application.

HDL Research Lab, Inc. specifically declares our products are currently being designed and produced with Lead content by way of the tin-lead solder alloy. HDL declares that the use of the tin-lead solder alloy in of itself assures that the lead quantity is in excess of those levels permitted—by RoHS. HDL declares that its products are purchased with the full knowledge that they WILL NOT COMPLY with these requirements absent the "Military Use" exemption/exclusion. Further, other more localized governing entities, e.g. cities, counties, states, etc., may have entered or may elect to enter the "lead-free" movement. HDL must rely on its customers to assure that any local requirements are not violated via the purchase of HDL products containing a tin-lead solder alloy.

AS SUCH, THE BUYER IS HEREBY NOTIFIED THAT HDL ASSUMES NO RESPONSIBILITY FOR COMPLIANCE WITH ANY LEAD-FREE REQUIREMENTS.

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