

# CHINA REPAIR AND OVERHAUL TERMS

## 1. APPLICABILITY

Purchase orders placed by Buyer (“**Order**”) covering the repair and/or overhaul of Product or Product incorporating services (“**Services**”) will be governed solely by these Repair and Overhaul Terms (“**Terms**”), unless and to the extent that a separate contract is executed between Buyer and Honeywell. **Buyer** is defined as the procuring party. **Product** is defined as Honeywell goods, including without limitation, end items, line replaceable units and components thereof, including those returned for exchange. These Terms will apply to all Orders for Services whether or not these Terms are referenced in the Order.

## 2. BUYER’S ORDERS

Buyer shall gain access to, maintain access, and use Honeywell’s specified Electronic Data Interface (“EDI”) or [www.aerospace.honeywell.com](http://www.aerospace.honeywell.com). Buyer Orders and Order changes will be transmitted to Honeywell via such EDI or web portal. Buyer will use Honeywell’s web portal for all Order status and ship date estimate requests. Orders will specify: (1) Order number; (2) Honeywell’s part number, including a general description of the Product; (3) requested delivery dates, which will be no shorter than the published turn-around-time; (4) price (prices not listed on [www.aerospace.honeywell.com](http://www.aerospace.honeywell.com) must reference either a valid Honeywell contract or quote number); (5) quantity; (6) location to which the Product is to be shipped; (7) any special routing, packing, labeling, handling or insurance requested by Buyer, if applicable; (8) location to which invoices will be sent for payment; and (9) the end-use and end-user, if known, of the Product ordered and whether the Product will be used for a military or quasi-military purposes. Orders placed by Buyer for use by or resale to a Training Provider (“Training Provider” means any party purchasing or acquiring Product, software, publications, data or other items for the purpose of providing, directly or indirectly, training to flight crews, maintenance technicians or others) and for the purposes of designing, manufacturing, selling, or supporting aircraft manufacturer specific training tools (including without limitation flight training simulators, flight training devices, and courseware) are subject to Honeywell’s prior written consent which is Buyer’s sole responsibility to request. Orders are subject to Honeywell’s minimum order requirements, if any, and Honeywell’s acceptance. Honeywell reserves the right to limit order quantities for certain Product. Honeywell’s Order acknowledgment will not constitute acceptance. Except as provided in this section, all provisions on Buyer’s Order and all other documents submitted by Buyer are expressly rejected. Honeywell will not be deemed to have waived these Terms if it fails to object to provisions submitted by Buyer. Buyer’s silence, acceptance or use of Products is acceptance of these Terms. Any Orders provided under this Terms are for the purpose of identifying the information in (1) through (8), above. Unless expressly agreed to in writing by Honeywell, any conflicting terms on an Order will not apply and any terms or conditions attached to or incorporated in such Orders will have no force or effect. Honeywell reserves the right to reject, and will have no liability for Orders which do not meet the requirements set forth in this section.

## 3. ORDER CANCELLATION

Cancellation of an Order by the Buyer for any reason is not permitted and is expressly rejected, except where (1) Honeywell provides prior written approval and (2) Buyer provides written agreement to cover all cancellation fees and costs associated with the cancellation, including without limitation, Honeywell’s shipping, handling, restocking fees and any third-party expenses. Cancellation fees for special or custom order parts (including without limitation, make to order parts), services, software, or a project, or a portion thereof, will be at the full amount owed under the Order. All other cancelled Orders are subject to a minimum cancellation fee of thirty percent (30%) of the amount owed under the Order. Honeywell may cancel Orders at any time prior to shipment. If the cancellation fees and costs are not accepted by Buyer, Honeywell will ship the Order and invoice the Buyer for the full amount owed under the Order.

#### **4. DELIVERY/EXCHANGE**

A. Delivery Liability. Delivery and shipment dates for Products are estimates only. Deliveries may be made in partial shipments. Honeywell will not be liable to Buyer or any third party for any damages or penalties whatsoever, whether direct, indirect, special or consequential (including, without limitation, liquidated damages in your contracts with your Buyers), resulting from Honeywell's failure to perform or its delay in performing, unless otherwise agreed in a signed writing by an authorized representative. Notwithstanding the foregoing, if Honeywell delivers a quantity of Product in excess of the quantity ordered by Buyer, or a type of product different than that ordered by Buyer, Buyer may return such excess or different Product to Honeywell within 60 days after invoice at Honeywell's cost for a full refund. Additionally, Honeywell shall bear the cost of redirecting shipments made to a location other than that set forth in the Order if caused solely by its error. Buyer is liable for any delays or increased costs incurred by Honeywell caused by Buyer's acts or omissions including, without limitation, all costs Honeywell incurs for redirecting shipments due to any incorrect information or address you or your representatives provide.

B. Delivery Charges. Delivery terms for Products (excluding software and services) are (i) FCA (FCA Incoterms 2020) Honeywell's point of shipment ("Honeywell Dock") for all international shipments and (ii) Ex-Works Honeywell Dock for all domestic shipments. Buyer is responsible for all carriage, duties, taxes, and other charges to enable import clearance into the designated country.

C. Early Delivery & Future Delivery. Honeywell will schedule delivery in accordance with its standard published lead times (or published turnaround times in case of Product repair and overhaul) unless the Order states a later delivery date or the parties otherwise agree in writing. Honeywell Aerospace lead-times are published on [www.aerospace.honeywell.com](http://www.aerospace.honeywell.com). Orders will be accepted with a future ship date of up to twelve (12) months from the date of order entry, unless otherwise agreed to by the parties. Honeywell reserves the right to assess an expedite fee for Orders requested to be shipped prior to Honeywell's published lead-time. Buyer will pay all transportation costs (including insurance, taxes, and customs duties) and for any claims to be filed with the carrier. If Honeywell prepays transportation charges or any special routing, packing, labeling, handling or insurance requested by Buyer, Buyer will reimburse Honeywell upon receipt of an invoice for those charges.

Title and risk of loss or damage will pass to Buyer when Honeywell places Product at Buyer's disposal at Honeywell's facility, with the exception of Products being repaired or overhauled. Buyer retains title to the Products being repaired or overhauled. Notwithstanding the foregoing, title to parts removed from the Products during repair or overhaul will transfer to Honeywell and parts used to repair or overhaul the Products will transfer to Buyer. For Honeywell reserves the right to ship orders earlier than scheduled delivery dates. Note: For exchange Products, title to the serviceable Products will pass to Buyer when Honeywell places the serviceable Products at Buyer's disposal at Honeywell's facility, and at that same time title to the unserviceable Products transfers from Buyer to Honeywell. Exchange Products provided to Honeywell must include all required documentation including, but not limited to: (1) detailed reason for removal; (2) Component Maintenance Modification Card (CMMC); (3) Life Limited Cards (LLC), if applicable; and (4) a Non-Incident Letter. Honeywell will not ship exchanged Products without the aforementioned required documentation.

Notwithstanding anything else in this clause, Honeywell may ship Product early from Honeywell's published lead-time (or published turnaround time in case of Product repair and overhaul), Buyer's requested delivery date, or the agreed to delivery date, as applicable, and Honeywell will be in compliance with Buyer's Order. Early shipments will be processed using the same method and carrier identified in the order. Without imposing any liability on Honeywell in respect of any delays of for non-performance, if Buyer requests a delivery date for an Order within standard lead times that Honeywell accepts, Honeywell shall be entitled to assess an expedited freight fee on such Order. If Buyer does not accept delivery of shipment at any time, Honeywell reserves the right to store the product pending delivery, and Buyer shall be responsible for all costs associated with storage, insurance, re-delivery and associated logistics.

#### **5. ACCEPTANCE**

Product

Products are presumed accepted unless Seller receives written notice of rejection from Buyer explaining the basis for rejection within 10 (ten) calendar days after delivery. Buyer must disposition rejected Product in accordance with Seller's written instructions. Seller will have a reasonable opportunity to repair or replace rejected Products, at its option. Subject to the terms of the article titled "Taxes", Seller assumes shipping

costs in an amount not to exceed actual reasonable direct freight charges to Seller's designated facility for the return of properly rejected Products. Buyer will provide copies of freight invoices to Seller upon request. The party initiating shipment will bear the risk of loss or damage to Products in transit. If Seller reasonably determines that rejection was improper, Buyer will be responsible for all expenses caused by the improper rejection.

#### Services

Unless acceptance criteria are otherwise stated and defined in the Statement of Work, which shall take precedence over any conflicting provision of this Section, Buyer will inspect Services within 10 (ten) calendar days after delivery from Seller or completion of Services, as applicable. Services will be deemed accepted unless Seller receives written notice of rejection within such time. If Buyer finds the Services unacceptable due to non-compliance with a material element of these Terms, which non-compliance is due solely to the fault of Honeywell, Buyer will notify Honeywell in writing within the 10 (ten) calendar days setting forth the specific reasons for non-acceptance. Seller will be afforded a reasonable opportunity to correct or re-perform rejected Services, which shall be Buyer's sole and exclusive remedy for unaccepted Services by Buyer. Buyer further agrees that partial or beneficial use of the work by Buyer prior to final inspection and acceptance will constitute acceptance of the work under these Terms. If Seller reasonably determines that rejection was improper, Buyer shall be liable for all costs and expenses associated with any improper rejection, including, without limitation, any costs or expenses associated with delay, correction, replacement or re-performance. Any failure to issue a proper notice of rejection within ten (10) calendar days shall constitute final acceptance of the Services under these Terms. Buyer further agrees that partial or beneficial use of the work by Buyer or end-users, will constitute final acceptance of the work under these Terms. To the fullest extent permitted by law, Buyer shall indemnify and hold harmless Honeywell and its agents and employees from and against any and all claims, damages, losses and expenses, including but not limited to attorneys' fees, that in any way result from or arise from Buyer's breach of this Section. This indemnification shall survive termination of these Terms for whatever reason. Nothing in this Section shall be construed to require that Buyer indemnify and hold harmless Honeywell from claims and costs resulting from Honeywell's negligent actions or willful misconduct.

#### 6. CHANGES

A. A Change Order is a written order signed by Buyer and Honeywell authorizing a change to an Order or Agreement, including but not limited to scope changes, adjustments in Price, and/or a change to the schedule.

B. Buyer may request Honeywell to submit proposals for changes in the scope, schedule or other elements of an Order or Agreement subject to written acceptance by Honeywell. Honeywell will inform Buyer if the change causes a price modification or a schedule adjustment. If Buyer chooses to proceed, the change will be effective and Honeywell may begin performance upon the Parties' authorized signature of the Change Order. Unless otherwise specifically agreed to in writing by both Parties, if Honeywell submits a proposal pursuant to such request but Buyer chooses not to proceed, Buyer shall issue a Change Order to reimburse Honeywell for any and all costs incurred in preparing the proposal.

C. Honeywell may submit a Change Order request to Buyer to modify an Order or Agreement based on the Buyer's action or inaction, or the receipt or discovery of information, not expressly contemplated by an Order or Agreement that Honeywell believes will cause a change to the scope, Price, schedule, level of performance, or other element of an Order or Agreement. Honeywell will submit its request to Buyer within a reasonable time after receipt of, or the discovery of, information that Honeywell believes will cause a change to the scope, Price, schedule, level of performance, or other element of an Order or Agreement. Honeywell's request will include information to substantiate the need for the change and any impacts to the scope, Price, schedule, level of performance or other elements. Buyer will have fifteen (15) business days to accept or reject the Change Order request. If Buyer fails to respond within fifteen (15) business days, rejects the Change Order request, or Buyer and Honeywell cannot agree on the amount of the adjustment in the Price or the schedule, Honeywell reserves the right to escalate the Change Order request to executive leadership. Any resulting change will be effective upon the Parties' authorized signature of the Change Order. If Buyer rejects the Change Order request, Honeywell shall not be obligated to perform any additional or altered work and Buyer accepts all liability associated with such rejection.

D. Honeywell may, without notice to Buyer, incorporate changes to Products that do not alter form, fit, or function.

## 7. PRICES

A. Unless otherwise specified in writing by Honeywell, prices for Products shall be as set forth in the Honeywell price book in US Dollars at the time an Order is accepted. Prices, terms, conditions, and Product or Service specifications are subject to change without notice; provided, however, that Honeywell will endeavor to provide at least thirty (30) days' written notice of any changes. Pricing is subject to immediate change upon announcement of Product discontinuance. Honeywell reserves the right to correct any invoices noting incorrect pricing at any time, including, without limitation, invoices previously paid by Buyer.

B. Honeywell reserves the right to monitor Buyer's Orders during the period between notification of and the effective date of any price increase, if any. If the dollar value of Buyer's Product Orders during that time period is two percent (2%) higher than monthly forecasted or historic purchases determined by averaging the prior three (3) months, Honeywell reserves the right to charge the increased price on the excess.

C. All Orders with price deviations or promotional pricing require the appropriate promotion or deviation code (competitive price request code correlating to the approved discount from a discount agreement with Honeywell). Any Orders with price discrepancies that do not contain a promotion or price deviation code will receive a price discrepancy notice from Honeywell Buyer Service for resolution. Buyer has 48 hours to provide an updated Order or accept Honeywell's pricing (in writing); otherwise, the Order may be cancelled. Please refer to the Honeywell Price List (or consult your Honeywell representative for your specific codes).

## 8. PAYMENTS

Unless Buyer has been approved for credit terms by Honeywell, payment for all orders will be made at the time of order placement. In the event Buyer has been approved for credit terms, payment for that order will be due no later than 30 calendar days from the date of the invoice, unless a shorter time period is specified on the invoice or otherwise communicated to Buyer in writing.

Honeywell will determine in its sole discretion if Buyer qualifies for credit terms. If credit terms are granted, Honeywell may change Buyer's credit terms at any time in its sole discretion and may, without notice to Buyer, modify or withdraw credit terms for any order, including open orders. Honeywell may, at its sole discretion require additional security (e.g., bank guarantee, standby letter of credit, corporate guarantee, etc.) for a Buyer with no established credit terms and will be determined by Honeywell on a case-by-case basis.

Partial shipments will be invoiced as they are shipped. Honeywell is not required to provide a hard copy of the invoice and may submit invoices electronically.

The payment is to be made in Chinese Renminbi (RMB) unless agreed otherwise in writing and must be made via electronic fund transfer. Unless otherwise agreed to by Honeywell, payment by credit card is not permitted. Buyer will send an email to [GCTSAERORemittance@Honeywell.com](mailto:GCTSAERORemittance@Honeywell.com) on or before the date of such electronic fund transfer advising remittance detail containing at a minimum Buyer's order number, Honeywell's invoice number and amount paid per invoice. Buyer agrees to pay a service fee in the amount of \$500.00 for each occurrence for its failure to include the remittance detail and minimum information described above. Payments must be in accordance with the "Remit To" field on each invoice.

If Buyer makes any unapplied payment and fails to reply to Honeywell's request for instruction on allocation within seven (7) calendar days, Honeywell may set off such unapplied cash amount against any Buyer past-due invoice(s) at its sole discretion. An unapplied payment shall mean payment(s) received from Buyer without adequate remittance detail to determine what invoice the payment(s) shall be applied to.

Disputes as to invoices must be accompanied by detailed supporting information and are deemed waived 15 days following the invoice date. Honeywell reserves the right to correct any inaccurate invoices. Any corrected invoice or invalid dispute must be paid by the original invoice payment due date or the issuance date of the corrected invoice, whichever is later. Buyer must pay the undisputed amount of the invoice within the original invoice payment due date.

Unless agreed otherwise in writing by Honeywell, Honeywell allows the Buyer to pay by credit card and accepts Visa, MasterCard, American Express, Discover; provided, however, that the Buyer's credit card must be charged on the same day that Honeywell invoices the Buyer. If User is paying by credit card, it acknowledges and agrees that:

- a. Payment for every Order is due upfront prior to Honeywell activating the Services ordered;
- b. User may not split Orders on between multiple credit cards;
- c. User is obligated to provide a valid credit card via the Portal which has sufficient credit to be charged for any Order being placed;
- d. The credit card provided by User (or, where multiple credit cards have been provided, the credit card selected by User) will be automatically charged upon placement of an Order for Services via the Portal; and
- e. Unless Honeywell has received a timely notice of termination, User's credit card (or, where multiple credit cards have been provided, the credit card selected by User as its default card) will also be charged automatically on the anniversary date of when the original Subscription Services were activated. For avoidance of doubt, Honeywell has no obligation to refund any automatic recurring Subscription Services charges to User's credit card where User failed to provide a timely notice of termination, and User agrees not to contest such charges with its credit card provider.

If Buyer is delinquent in its payment obligations to Honeywell for any undisputed amount, Honeywell may, at Honeywell's sole option and until all delinquent amounts and late charges, if any, are paid:

- A. be relieved of its obligations with respect to guarantees, including without limitation, turnaround times, spares support and lead-times;
- B. refuse to process any credit to which Buyer may be entitled;
- C. set off any credit or sum owed by Honeywell to Buyer against any undisputed amount owed by Buyer to Honeywell including but not limited to amounts owed under any contract or order between the Parties;
- D. withhold performance, including, without limitation, suspending all work, the prior grant of any license rights and future shipments to Buyer;
- E. declare Buyer's performance in breach and terminate any order;
- F. repossess products, reports, technical information or any other items delivered pursuant to these Terms for which payment has not been made;
- G. deliver future shipments on a cash-with-order or cash-in-advance basis;
- H. assess late charges on delinquent amounts at a rate of 1.5% per month or the maximum rate permitted by law, if lower, for each month or part thereof;
- I. charge storage or inventory carrying fees on products, parts, or raw material;
- J. recover all costs of collection including, without limitation, reasonable attorneys' fees;
- K. if Buyer is delinquent on a payment schedule, accelerate all remaining payments and declare the total outstanding balance then due and owing;
- L. require Buyer provide Honeywell, a payment improvement plan on terms and conditions satisfactory to Honeywell, as signed and assured by Buyer's senior finance officer that may include, but not limit to additional security (e.g., bank guarantee, standby letter of credit, corporate guarantee, etc.); or
- M. combine any of the above rights and remedies as may be permitted by applicable law.

## 9. SETOFF

Neither Buyer nor its affiliated entities (nor any representative or agent thereof) shall attempt to set off or recoup any invoiced amounts or any portion thereof against other amounts that are due or may become due from Honeywell, its parent, affiliates, subsidiaries or other legal entities, business divisions, or units.

## 10.WARRANTY

"Nonconformance" means failure to comply with, or failure to operate due to noncompliance with, applicable Honeywell drawings or having defects in workmanship or material. Normal wear and tear and the need for regular overhaul and periodic maintenance do not constitute a Nonconformance.

Honeywell warrants that at time of shipment to Buyer its Products will comply with applicable Honeywell

drawings.

The warranty period for repaired Product is 3 months after shipment of Products. The repair warranty is limited to the repaired portion of the Product.

The warranty period for overhauled Products is 6 months after shipment of Products and applies to the entire Product.

Repairs that are performed as part of either an original new product warranty or a repair or overhaul warranty will not extend either the original new product warranty period or the repair or overhaul warranty period, as applicable. These warranties run to the Buyer, its successors, assigns, and Buyers.

Buyer must notify Honeywell in writing during the warranty period of a Nonconformance and, within 30 calendar days of discovery of the Nonconformance, disposition the Products in accordance with Honeywell's written instructions.

Honeywell's obligation and Buyer's sole remedy under this warranty is repair or replacement, at Honeywell's election, of any Product Nonconformance. All Product repaired or replaced are warranted only for the unexpired portion of the original warranty period.

Honeywell assumes round trip shipping costs for nonconforming Products in an amount not to exceed actual reasonable direct freight charges to and from Honeywell's nearest warranty repair facility for such Products. Buyer will provide copies of freight invoices to Honeywell upon request. Round trip shipping costs expressly exclude freight forwarding charges, taxes, duties and tariffs. The party initiating transportation bears the risk of loss or damage to Products in transit. If Honeywell reasonably determines that a Nonconformance does not exist, then Buyer will pay all expenses related to the improper return including, but not limited to, analysis and shipping charges.

Honeywell will not be liable under this warranty if the Product has been exposed or subjected to any:

- a) maintenance, repair, installation, handling, packaging, transportation, storage, operation or use which is improper or otherwise not in compliance with Honeywell's instruction;
- b) alteration, modification or repair by anyone other than Honeywell or those specifically authorized by Honeywell;
- c) accident, contamination, corrosion, foreign object damage, abuse, neglect or negligence after shipment to Buyer;
- d) damage caused by failure of a Honeywell-supplied Product not under warranty or by any hardware or software not supplied by Honeywell;
- e) use of counterfeit or replacement parts that are neither manufactured nor approved by Honeywell for use in Honeywell manufactured Products;
- f) Products which are normally consumed in operation or which have a normal life inherently shorter than the foregoing warranty period including, but not limited to, consumables (e.g., flashtubes, lamps, batteries, storage capacitors, filters, membranes).

Honeywell has no obligation under this warranty unless Buyer maintains records that accurately document operating time, maintenance performed and the nature of the unsatisfactory condition of Honeywell's Product. Upon Honeywell's request, Buyer will give Honeywell access to these records for substantiating warranty claims.

THESE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR

PURPOSE. IN NO EVENT WILL HONEYWELL BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR INDIRECT DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NO EXTENSION OF THIS WARRANTY WILL BE BINDING UPON HONEYWELL UNLESS SET FORTH IN WRITING AND SIGNED BY HONEYWELL'S AUTHORIZED REPRESENTATIVE.

#### **11. EXCUSABLE DELAY OR NONPERFORMANCE**

Force Majeure. Except for payment obligations, neither party will be liable to the other for any failure to meet its obligations due to any force majeure event. Notwithstanding the prior sentence, quantities affected by this Force Majeure clause may, at the option of Honeywell, be eliminated from these Terms without liability, but these Terms will otherwise remain unaffected. Force majeure is an event beyond the reasonable control of the non-performing party and includes, without limitation:

1. Delays or refusals to grant an export license or the suspension or revocation thereof,
2. Any other acts of any government that would limit a party's ability to perform under these Terms,
3. Fires, earthquakes, floods, tropical storms, hurricanes, tornadoes, severe weather conditions, or any other acts of God,
4. Pandemics, epidemics, quarantines, or regional medical crises,
5. The presence of Hazardous Substances or Mold,
6. Shortages or inability to obtain materials, equipment, energy, or components,
7. Labor strikes or lockouts,
8. Riots, strife, insurrection, civil disobedience, landowner disturbances, armed conflict, terrorism, or war, declared or not (or impending threat of any of the foregoing, if such threat might reasonably be expected to cause injury to people or property),
9. Inability or refusal by Buyer's directed third-party suppliers to provide Honeywell parts, services, manuals, or other information necessary to the products or services to be provided by Honeywell under these Terms, or
10. Any other cause beyond the non-performing party's reasonable control.

If a force majeure event causes a delay, then the date of performance will be extended by the period of time that the non-performing party is actually delayed, or for any other period as the parties may agree in writing. When performance is excused, Honeywell may allocate its services or its supplies of materials and products in any manner that is fair and reasonable. However, Honeywell will not be obligated to obtain services, materials or products from other sources or to allocate materials obtained by Honeywell from third parties for Honeywell's internal use.

Should any part of the system or any equipment in each case that are related to the work be damaged by fire, water, lightning, acts of God, the presence of Hazardous Substances or Mold, third parties, or any other cause beyond the control of Honeywell, any repairs or replacement shall be paid for by Buyer.

For the avoidance of doubt, there need not be a Force Majeure Event to invoke Section 25 (Surcharges). In the event that a Force Majeure Event is ongoing for a period of time which is ninety (90) days or longer, Honeywell may provide notice to Buyer that it is cancelling any affected outstanding Buyer Orders or affected portion thereof.

B. COVID-19. Notwithstanding any other provision of these Terms, in light of the COVID-19 pandemic, the effects of which cannot be foreseen, the Parties agree that Honeywell shall be entitled to an equitable extension of time to deliver or perform its work and appropriate additional compensation to the extent Honeywell's delivery or performance, or the delivery or performance of its suppliers and/or subcontractors, is in any way delayed, hindered or otherwise affected by the COVID-19 pandemic.

#### **12. TERMINATION**

Honeywell may terminate these Terms and any or all unperformed Orders immediately upon notice to Buyer upon the occurrence of any of the following events: (a) Buyer fails to perform or breaches any of its obligations and covenants under these Terms, and such default continues for more than sixty (60) days after written notice specifying the failure to perform or breach (unless such breach is determined to be incapable of cure, determined in Honeywell's sole discretion, in which case termination is effective immediately); (b) Buyer fails to make any payment hereunder due within five (5) calendar days after written notice of such non-payment; (c) attempted assignment of these Terms by Buyer or any rights hereunder without

Honeywell's prior written consent, which includes a sale or transfer of substantially all of Buyer's assets, a majority interest in its voting stock, or a merger or consolidation with one or more entities; (d) Buyer experiences one or more of the of the following insolvency-related circumstances: (i) it ceases to function as a going concern or to conduct its operations in the normal course of business (including an inability to meet obligations as they mature), (ii) a receiver is appointed for its assets, (iii) bankruptcy or insolvency proceedings are brought by or against it, or (iv) it makes an assignment for the benefit of creditors; (e) Buyer violates the law or any of its owners, officers, principals, members or partners is indicted or convicted on charges of felony, conversion, embezzlement or any morally reprehensible act which could, in Honeywell's sole discretion, adversely impact Honeywell; or (f) Buyer engages in any conduct or practice which, in Honeywell's sole discretion, is or could be detrimental or harmful to the good name, goodwill and reputation of Honeywell or Products. Termination does not affect any debt, claim, or cause of action accruing to any party against the other before the termination. The rights of termination provided in this clause are not exclusive of other remedies that a party may be entitled to under these Terms or in law or equity, including, without limitation, payment for services performed and for losses sustained for materials, tools, construction equipment and machinery, reasonable overhead, profit, and applicable damages. Honeywell may suspend performance under these Terms at Buyer's expense if Honeywell determines that performance may violate the law and/or cause a safety, security, or health risk.

### **13. DISPUTES**

Any dispute, claim, controversy, action, cause of action, arising out of or relating to these Terms, including the breach, termination or validity thereof ("Dispute"), will be finally resolved by arbitration. The law of arbitration clause will be in accordance with the applicable law set forth in these Terms.

Each party shall be entitled to submit the Dispute for final and binding arbitration to be conducted in Beijing and administered by the China International Economic and Trade Arbitration Commission ("CIETAC") in accordance with its arbitration rules then in force at the time of the commencement of the arbitration and as may be amended by this section. There shall be three (3) arbitrators. Buyer and Honeywell will each select one (1) arbitrator. The third and presiding arbitrator, who shall not be a citizen of the PRC or the US, will be selected by agreement between the arbitrators selected by Buyer and Honeywell or, failing agreement within thirty (30) days of the appointment of the two (2) party-nominated arbitrators, by the Secretary General of the CIETAC. Each party shall cooperate with the other party in making full disclosure of and providing complete access to all information and documents requested by the other parties in connection with such arbitration proceedings, subject only to any confidentiality obligations binding on such party. When any dispute occurs and is under arbitration, except for the matters under dispute, the parties shall continue to fulfill their respective obligations and shall be entitled to exercise their rights under these Terms. The decision of the arbitration tribunal shall be final and binding upon the disputing parties. The costs of arbitration shall be borne by the losing party, unless otherwise determined by the arbitration tribunal.

The language of arbitration shall be English, Buyer may at its option, prepare a Chinese version of relevant documents and have a Chinese translator present during the hearing. All costs of such translation or for the presence of a translator will be borne by Buyer. The arbitral award shall be in English.

Judgment on the award rendered by the arbitrator(s) may be entered by any court having competent jurisdiction thereof. Either party may apply to the arbitrator(s) seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy under these Terms, seek from any court having competent jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the arbitrator's determination of the merits of the controversy.

In any arbitration, the arbitrators are authorized to include in the arbitral award an allocation to any party of such costs and expenses, including attorneys' fees and disbursements, as the arbitrators shall deem reasonable. Except for the matters under dispute, the parties shall continue to fulfill their respective obligations (and shall be entitled to exercise their rights) under these Terms.



To the extent that Buyer may in any jurisdiction claim for themselves or their assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise), or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets any such immunity (whether or not claimed), the Buyer hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

#### **14. APPLICABLE LAW**

These Terms and all matters related to Terms will be governed by, construed in accordance with, and enforced under the laws of the People's Republic of China without regard to conflict of law principles. Application of the Uniform Computer Information Transactions Act and United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor law to either is specifically excluded. Buyer will not bring a legal or equitable action more than one year after the cause of action arose unless a shorter period is provided by applicable law.

#### **15. LIMITATION OF LIABILITY**

IN NO EVENT WILL HONEYWELL BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, STATUTORY, OR INDIRECT DAMAGES, LOSS OF PROFITS, REVENUES, OR USE OR THE LOSS OR CORRUPTION OF DATA, EVEN IF INFORMED OF THE POSSIBILITY OF THESE DAMAGES AND NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE AGGREGATE LIABILITY OF HONEYWELL FOR ANY CLAIMS ARISING OUT OF OR RELATED TO THESE TERMS IS LIMITED TO DIRECT DAMAGES NOT TO EXCEED THE AMOUNT PAID FOR THE SPECIFIC PRODUCT OR SERVICE THAT GIVES RISE TO THE CLAIM. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THESE LIMITATIONS AND EXCLUSIONS WILL APPLY REGARDLESS OF WHETHER LIABILITY ARISES FROM BREACH OF CONTRACT, INDEMNITY, WARRANTY, TORT, OPERATION OF LAW, OR OTHERWISE. ANY LIMITATION ON LIABILITY SHALL NOT BE INTERPRETED AS AN AGREEMENT ON LIQUIDATED DAMAGES WITHIN THE MEANING OF ARTICLE 585 OF THE PRC CIVIL CODE, AND THE PARTIES EXPRESSLY WAIVE ANY OF THEIR CLAIMS AND RIGHTS AGAINST THE OTHER PARTY UNDER ARTICLE 585 OF THE PRC CIVIL CODE.

#### **16. NONDISCLOSURE AND NON-USE OF INFORMATION**

“Affiliate” means any legal entity that controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to “control” another if it owns directly or indirectly a sufficient voting interest to elect a majority of the directors or managing authority or to otherwise direct the affairs or management of the other entity. Reference to a party in this Article 15 may include reference to such party's affiliates, as applicable.

“Proprietary Information” means any information, technical data or know-how in whatever form that is not generally known and is clearly identified as being confidential, proprietary or a trade secret. Proprietary Information also includes information disclosed orally or visually if the disclosing party: (i) identifies it as Proprietary Information before disclosure; (ii) reduces it to written summary form and marks it as being confidential, proprietary or trade secret; and (iii) transmits the written summary form to the receiving party within 30 calendar days after disclosure. For 30 calendar days from disclosure, oral or visual information identified before disclosure as Proprietary Information will be provided the same protections as provided Proprietary Information under these Terms.

The receiving party will not use or disclose Proprietary Information except as permitted in these Terms for 10 years from the date of disclosure under these Terms.

Each party will protect Proprietary Information using the same degree of care it uses to protect its own Proprietary Information, but in no event less than a reasonable degree of care. Neither party will be liable for non-negligent, inadvertent disclosure or use, provided that upon discovery of any inadvertent disclosure or

use, the receiving party notifies the original disclosing party promptly, takes reasonable steps to mitigate any damage that may result from the inadvertent disclosure, and endeavors to prevent any further inadvertent disclosure or use.

The receiving party has no duty to protect information that is: (a) developed by the receiving party independently of the disclosing party's Proprietary Information; (b) obtained without restriction by the receiving party from a third party who had a legal right to make the disclosure; (c) publicly available other than through the breach of these Terms by the receiving party; or (d) known to the receiving party at the time of its disclosure, without an existing duty to protect the information.

The receiving party may disclose Proprietary Information only to its employees and contract employees (collectively "employees") having a need-to-know with respect to the intent of these Terms. Each party must ensure that its employees are aware of, are subject to and comply with the terms of these Terms. The receiving party may disclose the disclosing party's Proprietary Information to a third party with respect to the intent of these Terms if: (1) the disclosing party authorizes it in writing; (2) the receiving party under these Terms requires the third party recipient to enter into a proprietary information agreement containing terms and conditions no less stringent than those imposed upon the receiving party under these Terms; and (3) the receiving party provides an executed copy of the proprietary information agreement to the disclosing party upon request of the disclosing party.

The receiving party may use the Proprietary Information strictly in the normal operation of Honeywell's Products and/or Services (the "Purpose") and not use Proprietary Information for any other purpose whatsoever. The receiving party may make a limited number of copies of Proprietary Information as is necessary to complete the Purpose. All copies made will reproduce the restrictive legends on the original.

Absent explicit written consent from the disclosing party, the receiving party is not permitted to use or disclose the disclosing party's Proprietary Information, in whole or in part, to: (A) manufacture itself or to enable the manufacture by any third party of the disclosing party's Products, products similar thereto, or products derived therefrom; (B) decompile, disassemble, decode, reproduce, redesign, reverse engineer any Products or equipment of the disclosing party or any part thereof; (C) perform any services, including services relating to the Products or equipment of the disclosing party; or (D) deliver under a contract or make subject to a "rights in data" clause or equivalent clause.

Nothing in these Terms grants or confers any rights on the part of any party by license or otherwise, express or implied, to any invention, discovery, or to any patent covering the invention or discovery.

The receiving party will promptly notify the disclosing party, if faced with legal action or a request under U.S. or foreign government regulations to disclose any of the disclosing party's Proprietary Information. If the disclosing party requests, the receiving party will cooperate in all reasonable respects to contest the disclosure, or obtain a protective order or other remedy. Except in connection with a failure to discharge the responsibilities set forth in the preceding sentence, neither party will be liable in any way for any disclosures made under judicial action or U.S. or foreign government regulations.

Within 180 calendar days after the termination of these Terms and upon written request of the disclosing party, the receiving party will return to the disclosing party all of the disclosing party's Proprietary Information and all copies. If not returned, the receiving party will destroy and provide a written confirmation of destruction to the disclosing party, except for any such Proprietary Information that exists only as part of regularly generated electronic backup data or archive data, the destruction of which is not reasonably practicable.

Buyer hereby represents and warrants to Honeywell that (i) it has not disclosed, and will not disclose to Honeywell in any manner any information that would be considered a state secret of the PRC ("State Secret") unless authorized to do so in accordance with the PRC laws and regulations; (ii) if Buyer is duly authorized to disclose any State Secret, prior to its disclosure, it shall obtain Honeywell's written consent and complete

all the requisite government approval and identification processes; (iii) if any information that Buyer has disclosed to Honeywell is later determined as a State Secret, it shall notify Honeywell in writing immediately, advise and assist Honeywell in taking all the necessary measures to ensure the appropriate protection or disposal thereof in full compliance with the PRC laws and regulations; and (iv) Buyer shall indemnify Honeywell for any damages resulting from its disclosure of any State Secret to Honeywell in violation of the PRC laws or regulations or these Terms. Honeywell hereby disclaims any intent to receive, accept, access or use any State Secret.

## **17. INDEMNITY AGAINST PATENT AND COPYRIGHT INFRINGEMENT**

Honeywell will defend Buyer against any suit arising out of any actual or alleged patent or copyright infringement of a valid United States patent or copyright, to the extent based on the Product as delivered by Honeywell, and indemnify for any final judgment assessed against Buyer resulting from such suit provided that Buyer notifies Honeywell in writing promptly after Buyer is apprised of the third-party claim, and Buyer agrees to give sole and complete authority, information and assistance (at Honeywell's reasonable expense) for the defense and disposition of the claim. Honeywell will not be responsible for any compromise or settlement made without Honeywell's prior written consent. Because Honeywell has sole control of resolving infringement claims hereunder, in no event will Honeywell be liable for Buyer's attorney fees or costs.

Honeywell will have no obligation or liability to defend and indemnify Buyer with respect to claims of infringement arising out of or based on: (a) Products supplied pursuant to Buyer's designs, drawings or manufacturing specifications; or (b) Products used other than for their ordinary intended purpose as documented in the Product documentation; or (c) any combination of the Product with any article or service not furnished by Honeywell; or (d) use of other than the latest version of software Product released by Honeywell; or (e) any modification of the Product other than a modification by Honeywell; or (f) damages based on a theory of liability other than infringement by the Product.

Further, Buyer agrees to indemnify and defend Honeywell to the same extent and subject to the same restrictions set forth in Honeywell's obligations to Buyer as set forth in this "Indemnity Against Patent and Copyright Infringement" section for any claim against Honeywell based upon a claim of infringement resulting from (a), (b), (c), (d), (e) or (f) of the preceding paragraph.

If a claim of infringement is made or if Honeywell believes that such a claim is likely, Honeywell may, at its option, and at its expense: (a) procure for Buyer the right to continue using the Product; (b) replace or modify the Product so that it becomes non-infringing; or (c) accept return of the Product or terminate Buyer's license to use the infringing Product in the case of a software Product and grant Buyer a credit for the purchase price or license fee paid for such Product, less a reasonable depreciation for use, damage, and obsolescence. Further, Honeywell may cease shipping infringing Products without being in breach of these Terms.

If the final judgment assessed against Buyer is based on the revenue generated from the use of the Product, as opposed to from the sale of the Product by Honeywell to Buyer (whether alone or in combination with any article or service not furnished by Honeywell), then Honeywell's liability under this indemnity, exclusive of defense costs, shall be limited to a reasonable royalty based on the contract price paid by Buyer to Honeywell for the Product that gave rise to the claim.

Any liability of Honeywell under this "Indemnity Against Patent and Copyright Infringement" is subject to the provisions of the "Limitation of Liability" section of these Terms.

This "Indemnity Against Patent and Copyright Infringement" section states the parties' entire liability, sole recourse and their exclusive remedies with respect to patent and copyright infringement claims. All other warranties against infringement or misappropriation of any intellectual property rights, statutory, express, or implied are hereby disclaimed.

## **18. SOFTWARE LICENSE**

“Licensed Software” means software, including all related updates, changes, revisions and documentation, if any, that Buyer is entitled to use under these Terms and which is not subject to a separate software license between the parties.

Subject to Buyer’s compliance with these Terms, Honeywell grants to Buyer and Buyer accepts a nontransferable, nonexclusive license, without the right to sublicense, to use the Licensed Software in the ordinary and normal operation of the Product on which it is installed or with which it is intended to be used under this license.

Honeywell (and its licensors, if applicable) retains all title to the intellectual property related to all material and software provided under these Terms.

Buyer may transfer its license to use the Licensed Software to a third party only in conjunction with Buyer’s sale of any Honeywell or Buyer product on which the Licensed Software is installed or with which it is used. Buyer’s transfer of the Licensed Software as authorized herein must be under terms consistent with and no less stringent than the terms set forth in these Terms. Except as specifically permitted in these Terms, the Licensed Software may not be sublicensed, transferred or loaned to any other party without Honeywell’s prior express written consent.

Unless specifically authorized by Honeywell in writing, Buyer is prohibited from making copies of Licensed Software except for backup purposes. Buyer will reproduce and include all Honeywell proprietary and copyright notices and other legends both in and on every copy made.

Buyer may not directly or indirectly make any effort to deconstruct the Licensed Software provided, including, but not limited to: translating, decompiling, disassembling, reverse assembling, reverse engineering, creating derivative works or compilations, or performing any other operation to obtain any portion of its contents. Buyer will take all reasonable actions necessary to prevent unauthorized access, disclosure or use of the Licensed Software provided.

If the Licensed Software includes Honeywell furnishing third party software, the Licensed Software is provided for use under the terms of the license, warranty or other conditions of such third party.

In addition to any other remedy Honeywell may have, Honeywell reserves the right to terminate Buyer’s or its successor’s Licensed Software if Buyer, or if successor, fails to comply with this Licensed Software. Buyer agrees, upon notice from Honeywell of any termination of this Licensed Software and following specific directions from Honeywell, to deliver immediately to Honeywell all Licensed Software and copies thereof in Buyer’s possession.

Notwithstanding the warranties provided elsewhere herein, Buyer acknowledges that Licensed Software may be product, aircraft, or sensor specific and, as such, may require reasonable adjustment or refinement to suit Buyer’s specific requirements. Subject to the receipt of adequate written notice and reasonable aid from Buyer, Honeywell will make reasonable, commercial efforts to accomplish reasonable adjustments or refinements for up to 90 calendar days after initial delivery of the Licensed Software. This shall not restrict Honeywell’s ability to make further adjustments and refinements, at its discretion, to the Licensed Software more than 90 calendar days after initial delivery of the Licensed Software.

Except as expressly granted herein, no license or right, including sublicensing rights, either expressly, implicitly, by estoppel, conduct of the parties, or otherwise, is granted by Honeywell to Buyer.

The license granted in this section 17 does not constitute a technology license under PRC law (including the PRC Contract Law), and this Condition of Sale is not a technology contract under PRC Law (including without the PRC Contract Law). Except as explicitly provided herein or as otherwise mutually agreed in writing, all right, title and interest in and to any Licensed Software (including those incorporated in the Goods) of Honeywell, its Honeywell’s suppliers or its licensors shall remain owned by Honeywell, its suppliers or

its licensors, as the case may be.

## 19. SPECIAL TOOLING AND DATA

Special Tooling includes, but is not limited to, jigs, dies, fixtures, molds, patterns, special taps, special gauges, special test equipment, other special equipment and manufacturing aids, and replacement items, now existing or created in the future, together with all related specifications, drawings, engineering instructions, data, material, equipment, software, processes, and facilities created or used by Honeywell in the performance of its obligations under these Terms. Honeywell owns all Special Tooling, except to the extent an authorized representative of Honeywell specifically transfers title for any Special Tooling in writing to Buyer. Any transfer of title to Special Tooling does not include transfer of Honeywell's intellectual property used to create, or that may be embodied in the Special Tooling, other than a license to use the Special Tooling without modification.

"Input Data" means data and other information that Buyer or persons acting on Buyer's behalf input, upload, transfer or make accessible in relation to, or which is collected from Buyer or third party devices or equipment by, the Product. Honeywell and its affiliates have the right to retain, transfer, disclose, duplicate, analyze, modify and otherwise use Input Data to provide, protect, improve or develop Honeywell products or services. Honeywell and its affiliates may also use Input Data for any other purpose provided it is in an anonymized form that does not identify Buyer. This Section survives expiration or termination of these Terms.

## 20. EXPORT

Buyer is responsible for compliance with all applicable import and export control laws and regulations. Honeywell (or an applicable affiliate) will obtain the export license when Honeywell is the exporter of record. Buyer must obtain at its sole cost and expense all necessary import authorizations and any subsequent export or re-export license or other approval required for Products, technology, software, services and technical data purchased, delivered, licensed or received from Honeywell. Buyer will retain documentation evidencing compliance with those laws and regulations. Buyer is aware that U.S. export law may impose restrictions on Buyer's use of the goods, services, or technical data, or on their transfer to third parties. Buyer will immediately notify Honeywell and cease distribution activities with regard to the transaction in question if Buyer knows or has a reasonable suspicion that the products, technical data, plans, or specifications may be redirected to other countries in violation of export control laws.

Honeywell will not be liable to Buyer for any failure to provide Products, Services, transfers or technical data as a result of government actions that impact Honeywell's ability to perform, including:

- (1) the failure to provide or the cancellation of export or re-export licenses;
- (2) any subsequent interpretation of applicable import, transfer, export or re-export law or regulation after the date of any Order or commitment that has a material adverse effect on Honeywell's performance; or
- (3) delays due to Buyer's failure to follow applicable import, export, transfer, or re-export laws and regulations.

If Buyer designates the freight forwarder for export shipments from the United States, then Buyer's freight forwarder will export on Buyer's behalf and Buyer will be responsible for any failure of Buyer's freight forwarder to comply with all applicable export requirements. Honeywell will provide Buyer's designated freight forwarder with required commodity information.

**Non Military End User and End Use Certification (MEU Rule).** In order to satisfy U.S. export control laws, the Buyer confirms that it is not an entity that meets the definition of a military end user in China (including Hong Kong and Macau), Russia, Venezuela, Myanmar/Burma, or Cambodia ("Military End User") or sell Honeywell product(s) to end user Buyers that support or contribute to a Military End Use by a Military End User. Military End User includes any entity that is part of the national armed services (army,

navy, marine, air force, or coast guard), as well as the national guard and national police, government intelligence or reconnaissance organizations, or any person or entity whose actions or functions are intended to support “military end uses.” “Military End Uses” includes use of an item to support or contribute to the operation, installation, maintenance, repair, overhaul, refurbishing, development, or production of military items. Additionally, Buyer will not divert or in any way utilize or sell products, materials, or technology/technical data/specifications supplied by or on behalf of Honeywell under or in connection with these Terms to/for any entity which is a Military End User or for Military End Uses by a Military End User. Buyer shall immediately notify Honeywell and cease all activities associated with the transaction in question if it knows or has a reasonable suspicion that such products, materials, technical data, plans, or specifications may be exported, reexported, or transferred to a Military End User or in support of a Military End Use by a Military End User. Buyer’s failure to comply with this provision will be deemed a material breach of these Terms. Notwithstanding anything to the contrary in these Terms, Honeywell may take any and all actions required to ensure full compliance with applicable export control laws without Honeywell incurring any liability to Buyer under these Terms or otherwise.

## **21. TAXES**

Honeywell’s pricing excludes all taxes (including but not limited to sales, use, excise, environmental, value-added, and other similar taxes or fees imposed on the sale or transfer of goods or provision of services under these Terms), tariffs and duties (including, but not limited to, amounts imposed upon the Product(s) or bill of material thereof under any Trade Act, including, but not limited to, the Trade Expansion Act, section 232 and the Trade Act of 1974, section 301) and charges (collectively “Taxes”). Buyer will pay all Taxes resulting from these Terms or Honeywell’s performance under these Terms, whether imposed, levied, collected, withheld, or assessed now or later. If Honeywell is required to impose, levy, collect, withhold, or assess any Taxes on any transaction under these Terms, then in addition to the purchase price, Honeywell will invoice Buyer for such Taxes unless, at the time of Order placement, Buyer furnishes Honeywell with a valid exemption certificate or other documentation sufficient to verify exemption from the Taxes, including, but not limited to, a direct pay permit. If any Taxes are required to be withheld from amounts paid or payable to Honeywell under these Terms, (i) the amount due to Honeywell will be increased so that the amount Honeywell receives, net of the Taxes withheld, equals the amount Honeywell would have received had no Taxes been required to be withheld, (ii) Buyer will withhold the required amount of Taxes and pay such Taxes on behalf of Honeywell to the relevant taxing authority in accordance with applicable law, and (iii) Buyer will forward proof of such withholding sufficient to establish the withholding amount and recipient to Honeywell within sixty (60) days of payment. In no event will Honeywell be liable for Taxes paid or payable by Buyer.

## **22. NOTICES**

Every notice between the parties relating to the performance or administration of these Terms will be made in writing and, if to Buyer, to Buyer’s authorized representative, or, if to Honeywell, to Honeywell’s authorized representative. All notices required under these Terms will be deemed received either:

1. Two (2) calendar days after mailing by certified mail, return receipt requested and postage prepaid; or
2. One (1) business day after deposit for next day delivery with a commercial overnight carrier provided the carrier obtains a written verification of receipt from the receiving party.

All notices must be addressed as follows:

To Honeywell:

Address: [address of Honeywell Chinese facility]

Attention: Site Leader

To Buyer:

Address: Buyer's address on the Order

Attention: Buyer's purchasing representative

For legal notices to Honeywell related to these Terms, send an additional copy to:

Honeywell APAC Aerospace Law & Contracts

Address: 555 Huanke Road, Shanghai, China

Attention: General Counsel

## **22. MECHANICS LIEN**

### **Abandoned Buyer Products**

When it is necessary for Honeywell to provide a quote for the repair of Products, including providing a quote in accordance with the sections titled "Over And Above (Time and Material) Charges" and "Warranty" herein, Honeywell will use commercially reasonable efforts to contact Buyer and provide a quote for repair of Products. In the event Buyer does not reply to Honeywell's quote within 90 calendar days, Honeywell shall provide written notice to Buyer requesting Buyer's direction for disposition of the Products. In the event Buyer does not reply to such written notice within 90 calendar days thereof, the Buyer's Products which are the subject of the quote will be considered "Abandoned Buyer Products" and title shall pass to Honeywell. A general lien will apply in respect of Abandoned Buyer Products and it will not be extinguished by attempts to sell the Products in accordance with this section.

### **Outstanding Charges Products**

Honeywell may refuse to deliver to Buyer any Buyer Products in Honeywell's possession as long as there are any outstanding and unpaid charges ("Charges") for the storage, repair, maintenance and/or improvements of Buyer Products, whether or not these Charges relate to the Buyer Products in Honeywell's possession ("Outstanding Charges Products"). A general lien will apply in respect of Outstanding Charges Products stored at Honeywell facilities including partially completed and completed work and it will not be extinguished by attempts to sell the Products in accordance with this section.

In the event any Charges are due but unpaid for more than 90 calendar days after their due date, Honeywell shall provide written notice to Buyer requesting settlement of Charges. In the event Buyer does not reply to said written notice and settle the Charges within 30 calendar days thereof, title in said Outstanding Charges Products shall pass to Honeywell.

### **Selling Abandoned Buyer Products and Outstanding Charges Products**

Honeywell may, upon written notice to Buyer, sell any Abandoned Buyer Products and Outstanding Charges Products in its possession. The manner and conduct of such sale will be at Honeywell's sole discretion.

The balance of the proceeds of the sale of the Abandoned Buyer Products and Outstanding Charges Products, if any, after first paying for the costs and expenses of the sale and any outstanding Charges and interests, will be handed over to Buyer. If Buyer cannot be contacted due to bankruptcy or any insolvency or suspension of the Buyer's operations, the remaining balance will revert to Honeywell. Any outstanding Charges and interests which are still not satisfied from the proceeds of the sale will be paid as a debt due from Buyer immediately. Buyer hereby warrants that it has the right and authority to authorize the sale of the Buyer Products on the terms herein.

## **23. OVER AND ABOVE (TIME AND MATERIAL) CHARGES**

Where time and material ("T&M") pricing is applicable, repair pricing will be based on reasonable T&M charges irrespective of the new product price. Honeywell reserves the right to impose additional charges, on

a T&M basis, for any accident, misuse, mishandling, corrosion, missing parts, Foreign Object Damage (“FOD”) or other damage not related to normal wear and tear (collectively, “Abuse”). If Honeywell determines that Abuse has occurred, Honeywell will notify Buyer and await instructions on whether to return the Abused Products or quote a price to repair the Products. If Buyer does not reply within 7 calendar days of receiving Honeywell’s notification of such Abuse, Honeywell will return the Products in “as-is” condition and Buyer will pay Honeywell an evaluation fee.

Upon Buyer’s request and in accordance with these Terms, Honeywell will provide Buyer with a written T&M service estimate and follow Buyer’s instructions to repair, scrap, or return the Products to Buyer. T&M service estimates may be quoted on an itemized basis or a flat fixed price, without either labor or materials or both itemized. Service estimates are valid for 10 calendar days from the issue date. If Buyer (i) does not reply during this 10-day period or (ii) rejects the service estimate, Honeywell will return Buyer’s Products in “as is” condition and Buyer will pay Honeywell an evaluation fee. If Buyer requests the Products to be scrapped and disposed of by Honeywell, Honeywell will proceed with such request and Buyer will pay an evaluation/disposal fee. For the purposes of these Terms, “as is” means the condition the Products exist after teardown and evaluation. Charges for freight, packaging, and taxes will be in addition to the service estimate and the evaluation fee.

#### **24. OBSOLESCENCE**

Honeywell will incur no liability should Products be declared obsolete. In the event Products are declared obsolete, Honeywell will contact Buyer and abide by Buyer's instructions to either return the obsolete Products to Buyer at Buyer's sole expense or scrap the obsolete Products. For purposes of this section, obsolete means a Product’s status declared by Honeywell, in its sole discretion, based on the Products no longer being manufactured or the cost to procure components used in its repair is prohibitive.

#### **25. ECONOMIC SURCHARGES**

Honeywell may, from time to time and in its sole discretion, issue surcharges on new and existing Orders in order to mitigate and/or recover increased operating costs arising from or related to, without limitation: (a) foreign currency exchange variation; (b) increased cost of third-party content, labor and materials; (c) impact of duties, tariffs, and other government actions; and (d) any other circumstances that increase Honeywell’s costs, including, without limitation, increases in freight, labor, material or component costs, and increased costs due to inflation (collectively, “Economic Surcharges”).

Honeywell will invoice Buyer through a revised or separate invoice, and Buyer agrees to pay for the Economic Surcharges pursuant to the standard payment terms in these Terms. If a dispute arises with respect to Economic Surcharges, and that dispute remains open for more than fifteen (15) days, Honeywell may, in its sole discretion, withhold performance and future shipments or combine any other rights and remedies as may be provided under these Terms or permitted by law until the dispute is resolved.

The terms of this section shall prevail in the event of inconsistency with any other terms in these Terms. Any Economic Surcharges, as well as the timing, effectiveness, and method of determination thereof, will be separate from and in addition to any changes to pricing that are affected by any other provisions in these Terms.

#### **26. SANCTIONS**

Buyer represents, warrants, agrees that:

Buyer is not a “Sanctioned Person,” meaning any individual or entity: (1) named on a governmental denied party or restricted list, including but not limited to: the Office of Foreign Assets Control (“OFAC”) list of Specially Designated Nationals and Blocked Persons (“SDN List”), the OFAC Sectoral Sanctions Identifications List (“SSI List”), and the sanctions lists under any other Sanctions Laws; (2) organized under



the laws of, ordinarily resident in, or physically located in a jurisdiction subject to comprehensive sanctions administered by OFAC (currently Cuba, Iran, North Korea, Syria, and the Crimea, so-called Donetsk People's Republic, or so-called Luhansk People's Republic regions of Ukraine/Russia) ("Sanctioned Jurisdictions"); and/or (3) owned or controlled, directly or indirectly, 50% or more in the aggregate by one or more of any of the foregoing. Relating to this transaction and/or Agreement, Buyer is in compliance with and will continue to comply with all economic Sanctions Laws administered by OFAC, other U.S. regulatory agencies, the European Union and its Member States, the United Kingdom, and the United Nations ("Sanctions Laws"). Buyer will not involve any Sanctioned Persons in any capacity, directly or indirectly, in any part of this transaction and performance under this transaction. Buyer will not take any action that would cause Honeywell to be in violation of Sanctions Laws.

Buyer will not sell, export, re-export, divert, use, or otherwise transfer any Honeywell products, technology, software, or proprietary information: (i) to or for any Sanctioned Persons or to or involving Sanctioned Jurisdictions; or (ii) for purposes prohibited by any Sanctions Laws. Buyer will not source any components, technology, software, or data for utilization in Honeywell products or services: (i) from any Sanctioned Persons or Sanctioned Jurisdictions or (ii) in contravention of any Sanctions Laws.

Buyer's failure to comply with this provision will be deemed a material breach of these Terms, and Buyer will notify Honeywell immediately if it violates, or reasonably believes that it will violate, any terms of this provision. Buyer agrees that Honeywell may take any and all actions required to ensure full compliance with all Sanctions Laws without Honeywell incurring any liability.

#### **27. BANK GUARANTEES**

Prior to performance of the work, Buyer will provide an SBLC/Bank Guarantee equal to ten percent (10%) of the estimated annual value of these Terms ("BG"). The BG shall be provided by an approved internationally recognized financial institution nominated by Buyer and approved by Honeywell and shall be in a specific form approved by Honeywell. On or before January 10 of each calendar year starting the second calendar year after the Effective Date, the value of the BG shall be adjusted in reference to the annual value of these Terms over the previous year so that such amount shall reflect 10% of the actual amount of the previous calendar year spend. Any required increase shall be carried out (and each Party shall cooperate to so carry out) within ten (10) calendar days of the new calendar year.

#### **28. MINIMUM ORDER QUANTITIES (MOQ)**

Depending on Buyer's local region and the Products being purchased, Honeywell may impose a minimum order value, minimum order quantities and processing fees for custom orders or orders below the imposed minimum thresholds. Honeywell may also charge processing fees for orders placed manually and not through its ecommerce website.

#### **29. BUYER CAUSED DELAY**

Honeywell is not liable for any delays or increased costs caused by delays in obtaining parts, materials, equipment, services or software from a Buyer-designated supplier, for Buyer's failure to timely provide information required for the work, or any other delay caused by, or within the control of, Buyer. If Buyer-caused delays occur, then the price, delivery dates, and other affected terms will be adjusted to reflect increased cost, delay, and other adverse impact suffered by Honeywell. For illustrative purposes only, and without limitation, events impacting price may include: (i) the cost of steel, copper, or aluminum, (ii) the cost of any buy-out items including additional cost based on a fluctuation in currency exchange rate, (iii) the cost of mechanical installation or electrical installation labor required for on-site work and/or installation, and (iv) the cost of pre-building and storing equipment at Honeywell's sole discretion. In the event that a delay caused by the Buyer is ongoing for a period of time which is ninety (90) days or longer, Honeywell may provide notice to Buyer that it is cancelling any affected outstanding Buyer Orders or affected portion thereof.

## 30. TURN-AROUND-TIME

Notwithstanding anything commitment made by Honeywell to the contrary, Honeywell does not offer any Turn-Around-Time (TAT) remedies hereunder. The TAT applicable for the respective Order shall be duly notified to the Buyer upon receipt of the Order from the Buyer. TAT begins the day after the Product is received at Honeywell's designated repair facility and ends on the day the Product is made available for return shipment to Buyer. TAT does not apply to the Product with a TAT Exclusion as outlined below.

TAT Exclusion means Product not subject to TAT wherein Honeywell is delayed in servicing or cannot service due to Excusable Delays as defined in the clause 11 of this Repair and Overhaul Terms and delays due to (i) Abuse (ii) Foreign Object Damage, (iii) accidents (iv) Beyond Economic Repair, (v) Obsolete Product, (vi) refurbishment, (vii) Buyer requested modifications, or (viii) any Buyer-caused reason, including, but not limited to (a) special instructions from Buyer, (b) special investigations or engineering analysis, (c) absence of repair orders with removal reasons, (d) missing parts, (e) missing or incomplete documentation, (f) failure to comply with all requirements regarding the proper removal, installation, maintenance, repair and/or modifications of the Equipment as specified by the aircraft maintenance manual (g) any operation, testing, use or storage of Equipment which is not in accordance with the applicable Honeywell and/or aircraft manufacturer publications; (h) time waiting for Buyer's instructions; (i) misuse; (j) mishandling; (k) any damage precipitated by failure of a component not supplied by Honeywell; or (l) Buyer requests to maintain Product integrity.

## 22. GENERAL PROVISIONS

**Assignment.** Neither party will assign any rights or obligations under these Terms without the advance written consent of the other party, which consent will not be unreasonably withheld or delayed except that either party may assign these Terms in connection with the sale or transfer of all or substantially all of the assets of the product line or business to which it pertains. Any attempt to assign or delegate in violation of this clause will be void.

**Data Privacy.** The parties will comply with all Data Privacy Laws when processing personal data for the purposes of these Terms.

**Waiver.** Failure of either party to enforce at any time any of the provisions of these Terms will not be construed to be a continuing waiver of those provisions.

**Severability.** If any provision or portion of a provision of these Terms is determined to be illegal, invalid, or unenforceable, the validity of the remaining provisions will not be affected. The parties may agree to replace the stricken provision with a valid and enforceable provision.

**Third Party Beneficiaries.** Except as expressly provided to the contrary in these Terms, the provisions of these Terms are for the benefit of the parties to these Terms only and not for the benefit of any third party.

**Independent Contractor.** The parties acknowledge that they are independent contractors and no other relationship, including without limitation partnership, joint venture, employment, franchise, master/servant or principal/agent is intended by these Terms. Neither party has the right to bind or obligate the other.

**Headings and Captions.** Headings and captions are for the convenience of reference only and do not alter the meaning or interpretation of these Terms.

**Commercial Use.** Buyer represents and warrants that any technical data or software provided by Honeywell to Buyer under these Terms will not be delivered, directly or indirectly, to any agency of any government in the performance of a contract, or subcontract, with the respective government without the prior written consent of Honeywell.

**Survival.** Provisions of these Terms that by their nature should continue in force beyond the completion of termination of an Order will remain in force.

### **33. ENTIRE AGREEMENT**

These Terms contain the entire agreement between Buyer and Honeywell with respect to the subject matter of an Order and supersedes any prior agreements or representations, oral or written, and all other communications relating to the subject matter of an Order. These Terms will not be varied except in writing signed by an authorized representative of each party.