



## HONEYWELL INTERNATIONAL INC (HII) - HONEYWELL AEROSPACE TRADING CONDITIONS OF SALE

### 1. APPLICABILITY

Purchase orders placed by Customer (“Order”) for: (1) the purchase of products, including without limitation, end items, line replaceable units and components thereof and those returned for exchange (collectively referred to as “Products”) and/or (2) non-recurring engineering (“NRE”) efforts/cost to support a defined customer requirement (“Services”) will be governed solely by these Conditions of Sale, unless and to the extent that a separate contract is executed between Customer and Honeywell. Customer is defined as the procuring party. These Conditions of Sale will apply to all Orders for Products and/or Services whether or not the Conditions of Sale are referenced in the Order.

### 2. CUSTOMER’S ORDERS

Customer shall gain access to, maintain access and use [www.aerospace.honeywell.com](http://www.aerospace.honeywell.com) web portal or [www.godirecttrade.com](http://www.godirecttrade.com) web portal. Customer 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 quoted lead-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 Customer, 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. Avionics Orders placed by Customer 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 Customer’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. Any Orders provided under these Conditions of Sale are for the purpose of identifying the information in (1) through (9), above. Except as provided in this section, all provisions on Customer’s Order and all other documents submitted by Customer are expressly rejected. Honeywell will not be deemed to have waived these Conditions of Sale if it fails to object to provisions submitted by Customer. Customer’s silence, acceptance or use of Products is acceptance of these Conditions of Sale. 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 article. Honeywell reserves right to not accept Customer Order if quoted material is no longer available (availability of offered part number, serial number and quantity are subject to prior sale) or quotation offer expired (quotation validity is fifteen (15) days from the offer date). If proposed serial number or quantity is no longer available, Honeywell reserves right to adjust quotation to offer based on current market conditions.

### 3. DELIVERY

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 Customer 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 Customers), 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 Customer, or a type of product different than that ordered by Customer, Customer may return such excess or different Product to Honeywell within sixty (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. Customer is liable for any delays or increased costs incurred by Honeywell caused by Customer’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. Customer 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 quotation offer. 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. Customer 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 Customer, Customer will reimburse



Honeywell upon receipt of an invoice for those charges.

Title and risk of loss or damage will pass to Customer when Honeywell places Product at Customer's disposal at Honeywell's facility. 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 Customer. 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 Customer when Honeywell places the serviceable Products at Customer's disposal at Honeywell's facility, and at that same time title to the unserviceable Products transfers from Customer 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 quotation offer, Customer's requested delivery date, or the agreed to delivery date, as applicable, and Honeywell will be in compliance with Customer'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 Customer 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 Customer does not accept delivery of shipment at any time, Honeywell reserves the right to store the product pending delivery, and Customer shall be responsible for all costs associated with storage, insurance, re-delivery and associated logistics.

#### 4. ACCEPTANCE

##### Product

Products are presumed accepted unless Seller receives written notice of rejection from Customer explaining the basis for rejection within 10 (ten) calendar days after delivery. Customer 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. Customer 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, Customer 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, Customer will inspect Services within ten (10) 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 Customer finds the Services unacceptable due to non-compliance with a material element of these Conditions of Sale, which non-compliance is due solely to the fault of Honeywell, Customer will notify Honeywell in writing within the within ten (10) 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 Customer's sole and exclusive remedy for unaccepted Services by Customer. Customer further agrees that partial or beneficial use of the work by Customer prior to final inspection and acceptance will constitute acceptance of the work under these Conditions of Sale. If Seller reasonably determines that rejection was improper, Customer 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 Conditions of Sale. Customer further agrees that partial or beneficial use of the work by Customer or end-users, will constitute final acceptance of the work under these Conditions of Sale. To the fullest extent permitted by law, Customer 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 Customer's breach of this Section. This indemnification shall survive termination of these Conditions of Sale for whatever reason. Nothing in this Section shall be construed to require that Customer indemnify and hold harmless Honeywell from claims and costs resulting from Honeywell's negligent actions or willful misconduct.

#### 5. CHANGES

A. A Change Order is a written order signed by Customer 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. Customer 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 Customer if the change causes a price modification or a schedule adjustment. If Customer 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 Customer chooses not to proceed, Customer 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 Customer to modify an Order or Agreement based on the Customer'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 Customer 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. Customer will have fifteen (15) business days to accept or reject the Change Order request. If Customer fails to respond within fifteen (15) business days, rejects the Change Order request, or Customer 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 Customer rejects the Change Order request, Honeywell shall not be obligated to perform any additional or altered work and Customer accepts all liability associated with such rejection.

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

## 6. 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 Customer.

B. Honeywell reserves the right to monitor Customer's Orders during the period between notification of and the effective date of any price increase, if any. If the dollar value of Customer'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 Customer Service for resolution. Customer has 48 hours to provide an updated Order or accept Honeywell's pricing (in writing); otherwise, the Order may be cancelled.

## 7. PAYMENTS

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

Honeywell will determine in its sole discretion if Customer qualifies for credit terms. If credit terms are granted, Honeywell may change Customer's credit terms at any time in its sole discretion and may, without notice to Customer, 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 Customer 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.

Payments must be made in U.S. currency 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. Customer 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 Customer's order number, Honeywell's invoice number and amount paid per invoice. Customer 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 Customer 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 Customer past-due invoice(s) at its sole discretion. An unapplied payment shall mean payment(s) received from Customer 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 fifteen (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. Customer 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 Customer to pay by credit card and accepts Visa, MasterCard, American Express, Discover; provided, however, that the Customer's credit card must be charged on the same day that Honeywell invoices the Customer. 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 Customer 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 Customer may be entitled;
- C. set off any credit or sum owed by Honeywell to Customer against any undisputed amount owed by Customer 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 Customer;
- E. declare Customer's performance in breach and terminate any order;
- F. repossess products, reports, technical information or any other items delivered pursuant to these Conditions of Sale 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 Customer is delinquent on a payment schedule, accelerate all remaining payments and declare the total outstanding balance then due and owing;
- L. require Customer provide Honeywell, a payment improvement plan on terms and conditions satisfactory to Honeywell, as signed and assured by Customer'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.

## 8. RETURNED MATERIAL AUTHORIZATION

If Customer wants to return Product to Honeywell, Customer must first obtain permission from Honeywell to make such return using Honeywell's Return Material Authorization ("RMA") process. All requests for return must be submitted and approved by Honeywell within sixty (60) calendar days after original receipt of Product by Customer. Any request submitted after sixty (60) calendar days will not be accepted. The returned Product must be received at Honeywell with the approved RMA form and within thirty (30) calendar days after the RMA is approved or Honeywell reserves the right to reject such return and ship the Product back to Customer, at Customer's expense.

Customer is responsible for all shipping expense for return of such Product to Honeywell and shipping expenses for the return of the replacement Product back to Customer. Honeywell, at its sole discretion, reserves the right to reject Customer's request for returns due to any cause not attributable to Honeywell. In the event that Honeywell grants permission to return the Product and Customer makes a return pursuant thereto, Customer will bear the costs of:

- (A) A restocking fee equal to twenty percent (20%) of the price Honeywell charged Customer for the returned Product or \$1,100, whichever is greater; and
- (B) All transportation and handling charges; and



(C) Honeywell will, if the returned Product is unused, undamaged, and in a salable condition, issue to Customer a credit equal to the net amount paid to Honeywell by Customer for such Product, less restocking, transportation, and handling charges described above.

## 9. SETOFF

Neither Customer 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. PRODUCT WARRANTY

"Nonconformance" means failure to operate due to defects in workmanship or material. Normal wear and tear and the need for regular overhaul and periodic maintenance do not constitute a Nonconformance.

Products that 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) are not covered under this warranty. Underwater locating devices (ULDs) are not manufactured by Honeywell or covered by this warranty; however, ULDs may be subject to separate warranties as may be provided by the ULD manufacturer.

Products quoted and sold in New, New Surplus, Overhauled or Serviceable condition are warranted for the periods listed in the "Provisions by Condition" section of these Conditions of Sales, except for electromechanical and hydro mechanical devices which are only warranted for six (6) months from date of shipment. Honeywell warrants that Product sold as New, New Surplus, Overhauled or Serviceable will be accompanied by a certificate of airworthiness; an FAA8130-3 and/or EASA Form 1 (or CAAC if requested).

Notwithstanding anything herein to the contrary, Honeywell provides no warranty for Products quoted and sold in "As is/As Removed" or "Repairable" condition. This Article 10 does not apply to "As is/As Removed" or "Repairable" Products.

Products sold or repaired by a third-party repair station are warranted for the periods as offered in quotation, not exceeding 6 (six) months from the date of shipment.

Customer must notify Honeywell in writing during the warranty period of a Nonconformance and, within thirty (30) calendar days of discovery of the Nonconformance, disposition the Product in accordance with Honeywell's written instructions. Honeywell's obligation and Customer's sole remedy under this warranty is repair or replacement, at Honeywell's election, of any Product Nonconformance. All Products 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. Customer 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 shipment bears the risk of loss or damage to Products in transit. If Honeywell reasonably determines that a Nonconformance does not exist, then Customer 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: (1) maintenance, repair, installation, handling, packaging, transportation, storage, operation or use that is improper or otherwise not in compliance with Honeywell's instruction; (2) alteration, modification or repair by anyone other than Honeywell or those specifically authorized by Honeywell; (3) accident, contamination, corrosion, foreign object damage, abuse, neglect or negligence after shipment to Customer; (4) damage caused by failure of a Honeywell-supplied product not under warranty or by any hardware or software not supplied by Honeywell; or (5) use of counterfeit or replacement parts that are neither manufactured nor approved by Honeywell for use in Honeywell-manufactured Products. Honeywell has no obligation under this warranty unless Customer maintains records that accurately document operating time, maintenance performed and the nature of the unsatisfactory condition of Honeywell's Product. Upon Honeywell's request, Customer 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. PROVISIONS BY CONDITION

CONDITION	DESCRIPTION	WARRANTY INFORMATION (unless otherwise specified in writing by Honeywell)
New	Product that has no operating time or cycles.	12 months from date of shipment.
New Surplus	Product that has been released as “new” surplus by the military, manufacturers, owners/operators, repair facilities, or any other parts supplier.	12 months from date of shipment.
Overhauled	Complete disassembly, inspection, rework or replacement of parts and re-assembly and test as required to bring the Product to a zero-time condition per the applicable OEM component maintenance manual.	12 months from date of shipment.
Serviceable/Inspected	A condition in which Product meets the manufacturer approved technical data and inspection requirements and is acceptable for use.	Engine & Mechanical Components: 6 months from the date of shipment. Wheels & Brakes: 6 months from the date of shipment. Electrical: 12 months from the date of shipment.
Repaired	Defects discovered during repair investigation and execution has been rectified using an FAA-approved procedure.	Engine & Mechanical Components: 6 months from the date of shipment. Wheels & Brakes: 6 months from the date of shipment. Electrical: 12 months from the date of shipment
Repairable	Product, assembly, part, or material that can be made serviceable by replacing or processing failed or damaged parts to an FAA-approved procedure	Engine & Mechanical Components: No Warranty Wheels & Brakes: No Warranty Electrical: No Warranty
As-is/As removed	Product with all faults in its current condition, the condition of which is unknown.	Engine & Mechanical Components: No Warranty. Wheels & Brakes: No Warranty. Electrical: No Warranty.

## 12. EXCUSABLE DELAY OR NONPERFORMANCE

A. 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 Conditions of Sale without liability, but these Conditions of Sale 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 Conditions of Sale,
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 of 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 Customer'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 Conditions of Sale, 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 Customer.

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 Customer that it is cancelling any affected outstanding Customer Orders or affected portion thereof.

B. COVID-19. Notwithstanding any other provision of these Conditions of Sale, 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.

### **13. TERMINATION**

Honeywell may terminate these Conditions of Sale and any or all unperformed Orders immediately upon notice to Customer upon the occurrence of any of the following events: (a) Customer fails to perform or breaches any of its obligations and covenants under these Conditions of Sale, 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) Customer fails to make any payment hereunder due within five (5) calendar days after written notice of such non-payment; (c) attempted assignment of these Conditions of Sale by Customer or any rights hereunder without Honeywell's prior written consent, which includes a sale or transfer of substantially all of Customer's assets, a majority interest in its voting stock, or a merger or consolidation with one or more entities; (d) Customer 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) Customer 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) Customer 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 Conditions of Sale 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 Conditions of Sale at Customer's expense if Honeywell determines that performance may violate the law and/or cause a safety, security, or health risk.

### **14. DISPUTES**

Any dispute, claim, controversy, action, cause of action, arising out of or relating to these Conditions of Sale, including the breach, termination or validity thereof will be finally resolved by a sole arbitrator in accordance with the International Institute for Conflict Prevention & Resolution, Inc. (CPR) Rules for Non-Administered Arbitration then currently in effect. The arbitration will be conducted in English. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The place of arbitration will be New York, New York. The law of this arbitration clause will be in accordance with the applicable law set forth in these Conditions of Sale.

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 Conditions of Sale, seek from any court having 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.

If any dispute, or response to any dispute, includes an allegation that potentially concerns whether any intellectual property right owned, controlled or licensable by either party is invalid, unenforceable or infringed or misappropriated, or is otherwise limited in scope or application, then either party may, in its sole discretion, elect to have that dispute adjudicated before a court of competent jurisdiction and this section will not be binding on either party with respect to that dispute in its entirety or any related dispute, including any portions of a dispute that do not concern intellectual property rights.

### **15. APPLICABLE LAW**

These Conditions of Sale, and all matters related to these Conditions of Sale, will be governed by, construed in accordance with, and enforced under the laws of the State of New York, U.S.A. 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. Customer 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.

### **16. 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 CONDITIONS OF SALE ARE LIMITED TO DIRECT DAMAGES NOT TO EXCEED THE AMOUNT PAID FOR THE SPECIFIC PRODUCT OR SERVICE THAT GIVES RISE TO THE CLAIM, OR ONE HUNDRED U.S. DOLLARS, WHICHEVER IS LESS. 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.

## 17. NONDISCLOSURE AND NON-USE OF INFORMATION

“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 Conditions of Sale.

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

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 Conditions of Sale 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 Conditions of Sale. Each party must ensure that its employees are aware of, are subject to and comply with the terms of these Conditions of Sale. The receiving party may disclose the disclosing party’s Proprietary Information to a third party with respect to the intent of these Conditions of Sale if: (1) the disclosing party authorizes it in writing; (2) the receiving party under these Conditions of Sale 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 Conditions of Sale ; 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) to manufacture itself or to enable the manufacture by any third party of the disclosing party’s products, products similar thereto, or products derived therefrom, without the prior express written consent of the disclosing party; (B) decompile, disassemble, decode, reproduce, redesign, reverse engineer any products or Product 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 Conditions of Sale 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 Conditions of Sale 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.



## 18. INDEMNITY AGAINST PATENT AND COPYRIGHT INFRINGEMENT

Honeywell will defend Customer 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 Customer resulting from such suit provided that Customer notifies Honeywell in writing promptly after Customer is apprised of the third-party claim, and Customer 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 Customer's attorney fees or costs.

Honeywell will have no liability or obligation to defend and indemnify Customer to the extent FAR 52.227-1 "Authorization and Consent" applies to Customer's prime or higher-tier contract for infringement of a United States patent and Customer is not subject to any actions for claims, damages, losses, costs, and expenses, including reasonable attorneys' fees by a third party.

Honeywell will have no liability obligation to defend and indemnify Customer with respect to claims of infringement arising out of or based on: (a) Products supplied pursuant to Customer's designs, drawings or manufacturing specifications; or (b) Products used other than for their ordinary intended purpose as documented in the documentation; or (c) any combination of the Products with any article or service not furnished by Honeywell; (d) use of other than the latest version of software Product released by Honeywell; (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, Customer agrees to indemnify and defend Honeywell to the same extent and subject to the same restrictions set forth in Honeywell's obligations to Customer 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), or (e) 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, (1) procure for Customer the right to continue using the Product; (2) replace or modify the Product so that it becomes non-infringing; or (3) accept return of the Product or terminate Customer's license to use the infringing Product and grant Customer 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 the infringing Product without being in breach of these Conditions of Sale.

If the final judgment assessed against Customer is based on the revenue generated from the use of the Goods, as opposed to from the sale of the Product by Honeywell to Customer (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 price paid by Customer 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 Conditions of Sale.

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.

## 19. SOFTWARE LICENSE

"**Licensed Software**" means software, including all related updates, changes, revisions, and documentation, if any, that Customer is entitled to use under these Conditions of Sale, and which is not subject to a separate software license between the parties.

Subject to Customer's compliance with the terms of these Conditions of Sale, Honeywell grants to Customer and Customer 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) retain all title to the intellectual property related to all material and software provided under these Conditions of Sale.

Customer may transfer its license to use the Licensed Software to a third party only in conjunction with Customer's sale of any Honeywell or Customer Product on which the Licensed Software is installed or with which it is used. Customer'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 Conditions of Sale. Except as specifically permitted in these Conditions of Sale, 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, Customer is prohibited from making copies of Licensed Software except for backup purposes. Customer will reproduce and include all Honeywell proprietary and copyright notices and other legends both in and on every copy made.



Customer 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. Customer will take all reasonable actions necessary to prevent unauthorized access, disclosure or use of the Licensed Software provided.

Notwithstanding the warranties provided elsewhere herein, Customer acknowledges that Licensed Software may be product, aircraft, or sensor specific and, as such, may require reasonable adjustment or refinement to suit Customer's specific requirements. Subject to the receipt of adequate written notice and reasonable aid from Customer, 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 Customer.

## 20. 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 replacements items, created or used by Honeywell in the performance of its obligations under these Conditions of Sale. Honeywell owns all rights to Special Tooling including related specifications, drawings, engineering instructions, data, material, equipment, software, processes, and facilities, except to the extent that title is specifically transferred in writing from an authorized representative of Honeywell to Customer. Unless otherwise specified in writing, Honeywell retains all rights, title and interest in drawings, engineering instructions, specifications, and all other written data, whether or not furnished with the Products. Furthermore, any transfer of title 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 Customer or persons acting on Customer's behalf input, upload, transfer or make accessible in relation to, or which is collected from Customer 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 Customer. This section survives expiration or termination of these Conditions of Sale.

## 21. EXPORT

Customer is responsible for compliance with all applicable import and export control laws and regulations. Honeywell will obtain the export license when Honeywell is the exporter of record. Customer must obtain at its sole cost and expense all necessary import authorizations and any subsequent export or re-export license, or other approvals required for Products, transfers, services, and technical data delivered and use of all product, technology and software purchased, licensed, or received from Honeywell. Customer will retain documentation evidencing compliance with those laws and regulations.

Honeywell will not be liable to Customer 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 Customer's failure to follow applicable import, export, transfer, or re-export laws and regulations.

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

## 22. 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 Conditions of Sale), 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"). Customer will pay all Taxes resulting from these Conditions of Sale or Honeywell's performance under these Conditions of Sale, 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 Conditions of Sale, then in addition to the purchase price, Honeywell will invoice Customer for such Taxes unless, at the time of Order placement, Customer 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 Conditions of Sale, (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) Customer 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) Customer 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 Customer.

### 23. NOTICES

Every notice between the parties relating to the performance or administration of these Conditions of Sale will be made in writing and, if to Customer, to Customer's authorized representative or, if to Honeywell, to Honeywell's authorized representative. All notices required under these Conditions of Sale notices will be deemed received when delivered either: (a) two (2) calendar days after mailing by certified mail, return receipt requested and postage prepaid; or (b) 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:

Honeywell Aerospace Trading Attn: HAT Sales Leader  
1720 E Grant St Phoenix, AZ 85034

To Customer: Address: Customer's address on the Order or to Customer's purchasing representative.

For legal notices related to these Conditions of Sale, send an additional copy to: Honeywell International Inc., Aerospace, 1944 E. Sky Harbor Circle, Phoenix, Arizona 85034, Attn: General Counsel.

### 24. SANCTIONS

Customer represents, warrants, agrees that:

Customer 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, Customer 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"). Customer will not involve any Sanctioned Persons in any capacity, directly or indirectly, in any part of this transaction and performance under this transaction. Customer will not take any action that would cause Honeywell to be in violation of Sanctions Laws.

Customer 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. Customer 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.

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

### 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 Customer through a revised or separate invoice, and Customer agrees to pay for the Economic Surcharges pursuant to the standard payment terms in these Conditions of Sale. 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 Conditions of Sale 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 Conditions of Sale. 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 Conditions of Sale.

## 26. BANK GUARANTEES

Prior to performance of the work, Customer will provide an SBLC/Bank Guarantee equal to ten percent (10%) of the estimated annual value of these Conditions of Sale (“BG”). The BG shall be provided by an approved internationally recognized financial institution nominated by Customer 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 Conditions of Sale 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.

## 27. MINIMUM ORDER QUANTITIES (MOQ)

Depending on Customer’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.

## 28. CUSTOMER 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 Customer-designated supplier, for Customer’s failure to timely provide information required for the work, or any other delay caused by, or within the control of, Customer. If Customer-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 Customer is ongoing for a period of time which is ninety (90) days or longer, Honeywell may provide notice to Customer that it is cancelling any affected outstanding Customer Orders or affected portion thereof.

## 29. GENERAL PROVISIONS

**Assignment.** Customer will not assign any rights or obligations under these Conditions of Sale without the advance written consent of Honeywell, which consent will not be unreasonably withheld or delayed. Any attempt to assign or delegate in violation of this clause will be void.

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

**Data Privacy.** Each party acknowledges and agrees that it may process certain business contact details relating to individuals engaged by the other party in the performance of that other party’s obligations under these Conditions of Sale (“Staff”). Each party will take appropriate technical and organizational measures to protect such personal data against any security breaches and shall securely delete it once no longer required for the purposes for which it is processed. Where appropriate, and in accordance with the applicable data protection legislation, each party shall inform its own Staff that they may exercise their rights in respect of their personal data against the other party by sending a written request with proof of identity to the other party to the address set forth in these Conditions of Sale.

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

**Relationship of Parties.** 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 Conditions of Sale. Neither party has the right to bind or obligate the other.

**Severability.** If any provision or portion of a provision of these Conditions of Sale 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.



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

**Third Party Beneficiaries.** Except as expressly provided to the contrary in these Conditions of Sale, the provisions of these Conditions of Sale are for the benefit of the parties to these Conditions of Sale only and not for the benefit of any third party. **Waiver.** Failure of either party to enforce at any time any of the provisions of these Conditions of Sale will not be construed to be a continuing waiver of any provisions hereunder.

**Business Processing.** Honeywell's standard business processing terms apply and can be found at <https://aerospace.honeywell.com/us/en/products-and-services/ordering/terms-and-conditions>, go to "Terms & Conditions/Conditions of Sale General Terms" ("General Terms"). In the event there is a conflict between these Conditions of Sale and the General Terms, these Conditions of Sale will take precedence.

### 30. INTELLECTUAL PROPERTY RIGHTS INCLUDING PATENTS

In regard to Honeywell Products, the Customer recognizes that all rights or industrial ownership either intellectual or other, relating to services, to Products, or other manufacture belong either to Honeywell or its affiliates, subsidiaries or other divisions or units. The contractual relationship between Honeywell and the Customer only allows the Customer the right to use the Products, and no rights to either modify or reproduce.

### 31. TRADEMARK

Customer agrees not to remove or alter any indicia of manufacturing origin contained on or within the Products, including without limitation the serial numbers or trademarks on nameplates or cast or machined components.

### 32. ENTIRE AGREEMENT

These Conditions of Sale, together with the General Terms section, contains the entire agreement between the Customer and Honeywell with respect to the subject matter of the Order and supersede any prior agreements or representations, oral or written, and all other communications relating to the subject matter of an Order. These Conditions of Sale will not be varied except in writing signed by an authorized representative of each party.



## ATTACHMENT A

### EXCHANGE PROGRAM - REQUIREMENTS AND CONDITIONS

#### 1. DELIVERY AND EXCHANGE

Honeywell will ship designated Honeywell owned equipment "Exchange Equipment" to Customer in exchange for the Customer owned equipment. Customer will ship their designated owned equipment "Core Exchange Equipment" to Honeywell in exchange for the Honeywell owned equipment.

The Customer will reference the Honeywell owned equipment Exchange Equipment on their purchase order to include: quantity, description, model number, part number, serial number, flat rate exchange Price, outright sale price (based on provided quotation offer), hours (if applicable) and cycles (if applicable).

The Customer will reference the Core Exchange Equipment on their purchase order to include: quantity, description, model number, part number, serial number, core due date (reference Section 4), hours (if applicable) and cycles (if applicable).

The core return form, set forth in Attachment B, is required to accompany the Core Exchange Equipment at time of shipment to Honeywell.

Customer will, at its sole expense and risk, deliver Core Exchange Equipment and required documentation to Honeywell's designated facility.

With the timely placement of a purchase order pursuant to the terms and conditions of these Conditions of Sale by Customer to Honeywell, Honeywell will ship the Exchange Equipment consistent with the mutually agreed upon delivery schedule.

Honeywell will deliver Exchange Equipment (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. Honeywell reserves the right to impose charges for any special routing, packing, labeling, handling, or insurance requested by Customer. Customer will deliver Core Exchange Equipment DAP (DAP Incoterms 2020), Honeywell's point of shipment ("Honeywell Dock") for all international and domestic shipments. Customer is responsible for any special routing, packing, labeling, handling or insurance.

#### 2. TITLE

Effective upon shipment by Honeywell of Exchange Equipment or upon receipt by Honeywell of Core Exchange Equipment, whichever occurs first (i) Customer transfers and warrants to Honeywell good title to the Core Exchange Equipment, free and clear of all liens, security interests and encumbrances and (ii) Honeywell transfers and warrants to Customer good title to the Exchange Equipment, free and clear of all liens, security interests and encumbrances, except as reserved to Honeywell under these Conditions of Sale. As a condition precedent to the effectivity of the title transfer described within this article, each Party agrees to deliver to the other any documents necessary to transfer such title and release any encumbrances for product exchanged. The risk of loss or damage to all equipment in transit shall be borne by the Party initiating the transportation of such equipment.

#### 3. PRICES AND PAYMENT

Depending on chosen fee structure, Customer will pay Honeywell a flat rate for the Exchange Equipment which will include all repair costs (FLAT FEE) **OR** Customer will pay Honeywell an exchange fee for the Exchange Equipment up front and Customer will be invoiced for the actual repair costs after repair is complete. Customer's purchase order must reflect a repair cost line item that remains open until actual repair costs are determined and invoiced (COST PLUS).

#### 4. CORE RETURN POLICY

If the Core Exchange Equipment and its complete documentation are not received by Honeywell within fifteen (15) days beginning on the date Honeywell shipped the Exchange Equipment, to the proof of delivery date of Core Exchange Equipment at the Honeywell facility, the Exchange Equipment will be considered purchased outright. If the Core Exchange Equipment requires application of international export/import requirements, fifteen (15) extra days will be allocated for receipt by Honeywell. Customer will be charged the outright sale price specified in Honeywell quotation offer and executed exchange price or current market price of the core part number, whichever is higher. If no outright sale price is specified, then the catalog price in effect at the date of these Conditions of Sale will be used. No discount applies. An invoice for the difference between the outright sale price, subtracted by the fee set forth in Section 3 of this Attachment B, will be submitted.

Core Exchange Equipment shall not have PMA parts or DER repairs within the unit.

## 5. DOCUMENTATION POLICY

Documentation submitted by the Customer for the Core Exchange Equipment is subject to review and approval by Honeywell. Approval of the documentation is given at the sole discretion of Honeywell. Documentation provided must include, but is not limited to, traceability documentation back to the last operator (or other authorized certification organization, if approved by Honeywell) and a signed non-incident statement and/or ATA106 form certifying that the Core Exchange Equipment has not been involved in any reportable aircraft accident or incident during the time it was owned or operated by the Customer. For any APU, engine, landing gear or other life limited part (LLP) equipment, the original OEM logbook(s) and LLP records with full back-to-birth traceability and non-incident statements are required, along with the fully completed procurement checklist provided by Honeywell. For any equipment containing life limited parts, additional non-incident statements for the equipment may be required from previous operators of the equipment, at the discretion of Honeywell. If documentation acceptable to Honeywell is not received by the time the Core Exchange Equipment is received, as outlined in Section 4 of this Attachment A, the Exchange Equipment will be considered purchased outright and Customer will be charged the outright sale price, as specified in Section 1 of this Attachment A. An invoice for the difference between the outright sale price, as specified in Section 1 of this Attachment A, subtracted by the fee as specified in Section 3 of this Attachment A, will be submitted.

To evaluate APU core acceptance, Honeywell requires following documentation to be provided by Customer with receipt of core unit at Honeywell's warehouse.

- the original OEM logbook(s) or/and on/off log since new through present logbook(s)
- APU full back-to-birth traceability and any non-incident statement(s) relevant to the full operation of the APU (from each operator)
- any shop visit reports related to all previous repair shop instances
- full back-to-birth trace on the life limited parts
- core return form (or reference to HAT Sales order/Order number)

To evaluate Engine core acceptance, Honeywell requires following documentation to be provided by Customer with receipt of core unit at Honeywell's warehouse.

- engine logbook(s) scan since new
- any shop visit reports related to all previous repair shop instances
- back to birth trace on the life limited parts
- inspection reports from the last MPI and CZI (as applicable)
- core return form (or reference to HAT Sales order/Order number)

To evaluate component Exchange Equipment acceptance, Honeywell requires following documentation to be provided by Customer with receipt of Exchange Equipment at Honeywell's warehouse.

- non-incident statement from previous operator
- ATA106 Statement from authorized certification agency
- Material removal tag
- Core return form (or reference to HAT Sales order/Order number)

## 6. BEYOND ECONOMICALLY REPAIR (BER) POLICY

Honeywell may accept BER cores that are in-process at Honeywell repair facilities, at Honeywell's discretion. Honeywell reserves the right to reject such BER cores. If a BER core is not accepted, the Exchange Equipment will be considered purchased outright and Customer will be charged current catalog value for outright purchase, as specified in Section 1 of this Attachment A. An invoice for the difference between the outright sale price, specified in Section 1 of this Attachment A, subtracted by the fee as set forth in Section 3 of this Attachment A, will be submitted. For BER or Return As-Is units, a scrap cost fee will apply.

7. Customer will pay Honeywell the then-current Honeywell catalog price for all external missing components and LRUs where applicable.
8. With the timely placement of a purchase order pursuant to the terms and conditions of these Conditions of Sale by Customer to Honeywell, Honeywell will ship the Exchange Equipment consistent with the mutually agreed upon delivery schedule.
9. All other terms and conditions are per this Honeywell's "HII Honeywell Aerospace Trading Conditions of Sale ("Terms"). In the event there is a conflict between this Attachment A and the Terms, this Attachment A takes precedence. Any additional or conflicting terms and notes included on the purchase orders will be considered null and void.



## ATTACHMENT B

### HONEYWELL AEROSPACE TRADING CORE RETURN TAG

Core must be returned to below address along with all required documentation as specified in Attachment A of Honeywell Terms and Conditions, section 5 – Documentation policy.

HII – Plant 1013  
Honeywell International Inc. - HAT  
c/o XPO Logistics  
1720 E. Grant St  
Phoenix, AZ 85034

SALES ORDER NO: \_\_\_\_\_

CUSTOMER PO NO: \_\_\_\_\_

TYPE OF SERVICE: \_\_\_\_\_

DATE SHIPPED: \_\_\_\_\_

**THIS FORM MUST BE COMPLETED AND RETURNED TO RECEIVE CORE CREDIT**

CUSTOMER INFORMATION:

CUSTOMER SHIP TO ADDRESS:

PART INSTALLED:
PART NO: _____
SERIAL NO: _____
DESCRIPTION: _____

AIRCRAFT INFORMATION:
A/C TYPE: _____
A/C SERIAL NO: _____
TAIL NO: _____

PART REMOVED:
PART NO: _____
SERIAL NO: _____
DESCRIPTION: _____
A/C HOURS: _____
UNIT HOURS: _____

DESCRIPTION OF FAILURE:

## ATTACHMENT C Supplemental Type Certificates

### Supplemental Type certificate (STC) Install Kits, Data Package and/or Right to Use letter

The following terms and conditions will also apply to the use of any STC Data Package and/or Right to use Letter. The STC Data Package and/or Right to Use Letter offered under an Order are for Customer use only and to support the referenced STC, collectively known as the Data Package. The Right to Use Letter issued under these terms will not be considered valid or available for submittal to the FAA or other certifying body until Honeywell receives payment in full from the Customer.

**SCOPE.** The Honeywell Right to Use Letter contains certification materials in a Data Package required by the FAA or other certifying body approving the use of the requested Supplemental Type Certificate (“STC”) for installation or modification pursuant to the STC. The package may stipulate an aircraft configuration requiring drawings, Service Bulletins, etc., not contained in the package. It is the Customer’s responsibility to obtain and comply with those requirements in order to complete the installation.

**AUDIT RIGHTS.** Honeywell, through its authorized representatives has the right during normal business hours to visit Customer and have access to the inside and outside of Customer’s facility for the purpose of inspecting, observing, and evaluating Customer’s total performance under this Right to Use Letter, including: (a) Customer’s compliance with all provisions of this Right to Use Letter; (b) any noncompliance with the provisions of this Right to Use Letter. If any of Customer’s records and reports are located off of Customer’s premises, said records and reports will be made available to Honeywell or its authorized representatives within five (5) business days of request. Honeywell shall have the right to demand and receive reasonable documentation to perform an audit of the items described in this article, such documentation being produced at a Honeywell location, or other such location designated by Honeywell within fourteen (14) Days after receipt of request for such documentation. If an audit shows that Customer has worked beyond the scope of the Right to Use Letter: (a) Customer will pay all costs related to performing the audit (e.g., travel, food, lodging, cost of professional services, etc.); and (b) Honeywell shall be entitled to all remedies at law or in equity due to such breach. The recovery of audit costs under this Section are not exclusive and are in addition to any other Honeywell rights and remedies to which Honeywell may be entitled at law or in equity for all damages other than such underpaid fees, costs, and interest. Notwithstanding anything to the contrary in this Right to Use Letter, Honeywell does not grant Customer any audit or access rights.

**CONFIDENTIALITY.** Customer will not share the STC or Data Package with any third party other than the regulatory agency and only to such extent as required to receive certification. Customer shall not make copies of or use or permit the use of any portion of the Data Package, except as required to meet regulatory agency requirements related to the use stated above. The Customer shall not sell, assign, or sublicense the STC or the Data Package or any portion thereof; nor shall the Customer make any changes to any part of the STC or Data Package. All right, title and interest in and to the STC and the Data Package, including any copies thereof, remain with Honeywell. These specific terms shall prevail in the event of inconsistency with Section 17 “NONDISCLOSURE AND NON-USE OF INFORMATION.”

**WARRANTY.** Honeywell makes no representation regarding the scope, validity, or enforceability of the Data Package. The Data Package and STC are provided to Customer “AS IS”. Honeywell assigns to the Customer all of the manufacturer’s warranties relating to install kits only.

Honeywell makes no representation, nor extends any warranties of any kind and assumes no responsibility or liability whatsoever: (a) with respect to the use, accuracy, or sufficiency of the STC or the Data Package; or (b) with respect to the design, manufacture, assembly, testing, sale, use or importation of Customer’s products, process or services or any portion thereof using the Data Package. HONEYWELL EXPRESSLY DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, EVEN IF HONEYWELL HAS BEEN MADE AWARE OF SUCH PURPOSE, OR WARRANTIES AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

These specific terms shall prevail in the event of inconsistency with the Section 10 “WARRANTY.”

**LIABILITY.** In no event shall Honeywell be liable for any damages resulting from the use of the STC, Install kits or the Data Package. Customer shall not have recourse against Honeywell for any loss, liability, damage, or costs which may at any time be suffered or incurred by reason of or in consequence of the exercise of any right granted by Honeywell. Customer further agrees that it will forever indemnify and hold Honeywell and its officers, directors, agents, employees, and affiliates harmless against any and all claims,



liabilities, lawsuits, threats, damages, or expenses (including reasonable attorneys' fees and costs) that Customer and/or Honeywell may suffer, incur, or sustain or resulting from any claims demands, actions and other proceedings by any third party arising from the use of the Data Package by Customer. Customer agrees that it retains the sole responsibility for and assumes the entire risk of using the Data Package under the terms of this Right to Use Letter. These specific terms shall prevail in the event of inconsistency with the Section 16 "LIMITATION OF LIABILITY."

**TERMINATION.** Upon termination, as outlined in Section 13, the STC and Data Package, including all copies thereof, shall immediately be returned to Honeywell.