

Honeywell Standard Purchase Order Terms and Conditions for Goods and Services

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1. Acceptance – Order of Precedence - Modification

This Purchase Order is for the purchase of goods, services, or both as described on the face of this document (collectively, “Goods”) and is issued by the member of the Honeywell International Inc. group of companies identified on the face of this document (“Honeywell”). This Purchase Order is deemed accepted when Supplier returns the acknowledgment copy of this Purchase Order or begins performing, whichever is earlier. Honeywell rejects any additional or inconsistent terms and conditions offered by Supplier at any time. Any reference to Supplier’s quotation, bid, or proposal does not imply acceptance of any term, condition, or instruction contained in that document. No course of prior dealing or usage of the trade may modify, supplement, or explain any terms used in this Purchase Order. These terms and conditions together with the specifications, drawings, or other documents referred to on the face of the Purchase Order, or attached, or any documents incorporated by reference, supersede any prior or contemporaneous communications, representations, promises, or negotiations, whether oral or written, respecting the subject matter of this Purchase Order. All contract documents related to this Purchase Order are interpreted together as one agreement. But if there is an irreconcilable conflict among the provisions of those contract documents, the following order of precedence applies: (a) any consignment agreement; then (b) any supply agreement; then (c) any contract for labor services; then (d) the face of the Purchase Order and any supplemental terms included or incorporated by reference; then (e) these general Purchase Order provisions; and finally (f) other contract documents agreed to in writing by the parties. No change to or modification of this Purchase Order will be binding upon Honeywell unless in writing, specifically identifying that it amends this Purchase Order, and signed, or approved electronically, by an authorized procurement representative of Honeywell. If Supplier becomes aware of any ambiguities, issues, or discrepancies between this Purchase Order and any specification, design, or other technical requirement applicable to this Purchase Order, Supplier will immediately submit the matter to Honeywell for resolution.

2. Delivery, Shipment and Packaging

- 2.1. Supplier will deliver Goods in the quantities and on the date(s) specified on the Purchase Order or Purchase Order schedule releases. If delivery dates are not stated, Supplier will offer its best delivery date(s), which will be subject to acceptance by Honeywell. Unless otherwise directed, all Goods shipped in one day from and to a single location must be consolidated on one bill of lading or air waybill, as appropriate. TIME IS OF THE ESSENCE.
- 2.2. If the delivery schedule is endangered for any reason other than Honeywell's fault then Supplier will, at its expense, deliver Goods by the most expeditious shipping method required to fulfill the Purchase Order delivery requirements. Honeywell reserves the right to reject, at no expense to Honeywell, all or any part of any delivery that varies from the quantity authorized by Honeywell for shipment. Honeywell reserves the right to pursue additional remedies caused by late delivery. Supplier will not make any substitutions without Honeywell’s prior written approval. All items will be packaged according to Honeywell's instructions or, if none, according to good commercial practice in a manner sufficient to ensure receipt in an undamaged condition. Honeywell will not be liable for any discharge, spill or other environmental incident (including clean-up costs) involving any Goods shipped under the Purchase Order until received by Honeywell. All containers will be properly marked for identification as instructed on Honeywell’s Purchase Order and contain a packing slip that details, at a minimum, the Honeywell Purchase Order number(s), product part number, detailed product description, country of origin, total number of boxes in shipment, quantity of product shipped, and final delivery address. Items shipped in advance of Honeywell's delivery schedule may be returned at Supplier's expense. For domestic shipments, if requested by Honeywell, and for all international shipments, Supplier will give notice of shipment to Honeywell when the Goods are delivered to a carrier for transportation. The Purchase Order number(s) must appear on all

correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, and air waybills.

- 2.3. All Goods, unless specifically exempted by the destination country's governing authorities, must be marked with the country of origin (manufacture) of the Goods in a conspicuous place as legibly, indelibly, and permanently as the nature of the article or container permits.
- 2.4. Supplier will provide Honeywell with (a) the Harmonized Tariff Schedule number, country of origin information or certificates, manufacturer's affidavits, applicable free trade agreement ("FTA") certificates, and any other documents or information Honeywell may require to comply with international trade regulations or to lawfully minimize duties, taxes, and fees, and (b) FTA certificates for all Goods that qualify under one or more FTAs. Supplier will provide Honeywell all documents, records, and other supporting information necessary to substantiate the Goods' qualification under an FTA. Supplier will exert reasonable efforts to qualify the Goods under FTAs.
- 2.5. Within one business day after Supplier delivers the Goods to the carrier, Supplier will send Honeywell a complete set of shipping documents including the commercial invoice, packing list, and air waybill, or three original parts of the combined through-bill of lading, clean without notation, necessary to release the Goods to Honeywell's custody.

3. Notice of Delay

Whenever anything delays or threatens to delay the timely performance of this Purchase Order, Supplier must immediately notify Honeywell in writing of all relevant information with respect to such delay.

4. Excusable Delay (Force Majeure)

Neither party will be in default for any delay or failure to perform due to causes beyond its control and without its fault or negligence, but any delay or failure to perform caused by the default of a sub tier supplier of Supplier will be excused only if (a) it is beyond the control of both Supplier and its sub-tier supplier(s) and without the fault or negligence of any of them, and (b) the Goods to be furnished cannot be obtained from other sources in sufficient time to permit Supplier to meet the delivery schedule. Supplier's ability to sell Goods at a more advantageous price or Supplier's economic hardship in buying materials or processing necessary for manufacture of the Goods will not constitute an excusable delay event. The party affected by an excusable delay will promptly provide written notice to the other, explaining in detail the full particulars and expected duration of the excusable delay, and will use its best efforts to remedy the delay if it can be remedied. If Supplier's delivery is delayed, Honeywell may cancel deliveries scheduled during the excusable delay period or elect to extend the period of performance to cover the period of delay caused by the excusable delay. If an excusable delay occurs that affects delivery of Goods to Honeywell, Supplier will allocate its available supply of Goods in a manner that assures Honeywell of at least the same proportion of Supplier's total output of Goods as was allocated to Honeywell before the excusable delay event. If delivery of any Goods is delayed for more than 30 days, Honeywell may, without liability, cancel all or any part of this Purchase Order.

5. Performance Assurance Plan

If Honeywell, in its sole discretion, determines there is a significant risk that Supplier will fail to meet its performance or delivery requirements under this Purchase Order, Honeywell may require Supplier to perform under a Honeywell Performance Assurance Plan. The Performance Assurance Plan may include specific reporting and performance requirements reasonably tailored to ensure Supplier's adequate performance under identified provisions of this Purchase Order. Any failure by Supplier to satisfy the terms of the Performance Assurance Plan is a material breach of this Purchase Order.

6. Shipping Terms, Title and Risk of Loss

- 6.1. If the Goods will be transported from Supplier's location in the U.S. to Honeywell's location in the U.S., unless otherwise specified on the face of the Purchase Order or in a separate agreement, the F. O. B. point is Honeywell's location. When the F. O. B. point is Supplier's location, Supplier bears all risk of loss or damage to the Goods and title passes to Honeywell upon delivery of the Goods to the carrier designated or approved by Honeywell. When the F. O. B. point is Honeywell's location, Supplier bears all risk of loss or damage to the Goods and title passes to Honeywell upon delivery of the Goods at Honeywell's location.
- 6.2. In all other cases, unless otherwise specified on the face of the Purchase Order or in a separate agreement, Supplier will deliver the Goods DDU (Incoterms 2000) at Honeywell's location. Title to Goods passes to Honeywell upon receipt at Honeywell's location.
- 6.3. The foregoing does not relieve Supplier of any responsibility for hidden damages discovered after acceptance of the Goods. Notwithstanding the foregoing, title and risk of loss to Goods subject to a consignment stock agreement pass upon release of the Goods from the consignment stock. Honeywell may direct Supplier to ship the Goods to Honeywell or to any third party designated by Honeywell.

7. Import/Customs Compliance

Supplier assumes all responsibility and liability for any shipments covered by this Purchase Order requiring any government import clearance. If government authorities declare or otherwise impose countervailing duties, antidumping duties, or retaliatory duties on the Goods imported under this Purchase Order, Honeywell reserves the right to terminate this Purchase Order under the Termination provisions of this Purchase Order. Supplier will be debited for any duties, fees, or freight incurred by Honeywell due to Supplier's failure to comply with the terms and conditions of this Purchase Order.

8. Drawback

All drawback of duties, and rights thereto, related to duties paid by Supplier or Honeywell when the Goods are imported or any materials or components used in manufacturing of the Goods will accrue to the exclusive benefit of Honeywell. Duty drawback rights include rights developed by substitution and duty drawback rights obtained from sub-tier suppliers related to the Goods. Supplier will provide Honeywell with all documents, records, and other supporting information necessary to obtain any duty drawback, and will reasonably cooperate with Honeywell to obtain payment.

9. Offset

If Supplier is a non-U.S. entity, Supplier will assist Honeywell in obtaining credit from Supplier's government for the value of relevant Goods purchased to meet any present or future contractual offer or industrial benefit requirements imposed upon Honeywell or its subsidiaries or affiliates. Assistance includes, but is not limited to, providing upon Honeywell's request evidence of the existence, value, content, and other pertinent information relating to the purchases. Honeywell reserves the right to claim these credits for itself or third parties. If Supplier is a U.S. entity that awards any portion of the work under this Purchase Order to any lower tier non-U.S. supplier, Supplier will assign to Honeywell any credits obtained from the lower tier non-U.S. supplier's government relating to this transaction and assist Honeywell in obtaining the earned credits.

10. Honeywell-Supplied Materials, Tooling, Equipment and Technical Data

- 10.1. Title to any material, tooling, equipment, or technical data that Honeywell pays for or provides to Supplier or is responsible for providing to Supplier, including replacements ("Honeywell Property"), will remain or vest with Honeywell. Supplier will conspicuously label Honeywell Property as such, maintain it in good condition, keep written records of the Honeywell Property in its possession and the location of the property, not allow any liens to be placed upon it, and not change its location

without prior written approval from Honeywell. Supplier is responsible for inspecting and determining that the Honeywell Property is in useable and acceptable condition.

10.2. Supplier will use Honeywell Property exclusively to fulfill Honeywell Purchase Orders unless otherwise authorized in writing by Honeywell's procurement representative. Honeywell Property is intended for use at the Supplier's site only or as otherwise authorized in writing by Honeywell's procurement representative and, to the extent applicable, is subject to U.S. and other government export or re-export requirements. Supplier is responsible for any loss, damage, or destruction of Honeywell Property and any loss, damage or destruction of any third-party property resulting from Supplier's negligent use of Honeywell Property. Supplier will not include the cost of any insurance for Honeywell Property in the prices charged under this Purchase Order. Supplier will return Honeywell Property or dispose of it as Honeywell directs in writing. Honeywell makes no representations and disclaims all warranties (express or implied) with respect to Honeywell Property.

11. Price

Supplier will furnish the Goods at the prices stated on the face of the Purchase Order. If prices are not stated on the face of the Purchase Order, Supplier will offer its lowest prices subject to written acceptance by Honeywell. Unless otherwise provided on the face of the Purchase Order, the prices include all packaging and freight to the specified delivery point; applicable taxes and other government charges including, but not limited to, all sales, use, or excise taxes; and all customs duties, fees, or charges. To the extent that value added tax (or any equivalent tax) is properly chargeable on the supply to Honeywell of any Goods, Honeywell will pay the tax as an addition to payments otherwise due Supplier under this Purchase Order, if Supplier provides to Honeywell a value-added tax (or equivalent tax) invoice.

12. Price: Most Favored Customer and Meet or Release

Supplier warrants that the prices charged for the Goods delivered under this Purchase Order are the lowest prices charged by Supplier to any of its external customers for similar Goods. If Supplier charges any external customer a lower price for similar Goods, Supplier must notify Honeywell and apply that price to all Goods ordered under this Purchase Order. If at any time before full performance of this Purchase Order Honeywell notifies Supplier in writing that Honeywell has received a written offer from another supplier for Goods similar to those to be provided under this Purchase Order at a price lower than the price set forth in this Purchase Order, Supplier must immediately meet the lower price for any undelivered Goods. If Supplier fails to meet the lower price Honeywell, at its option, may terminate the balance of the Purchase Order without liability. As directed by Honeywell, Supplier will provide the Goods at the prices listed on the face of this Purchase Order, subject to these terms and conditions, to other Honeywell divisions and affiliates and any third-party Honeywell sub-supplier or designee.

13. Invoicing and Payment

After each shipment made or service provided, Supplier will submit an invoice listing a description of the Goods provided and, as applicable, part numbers, quantity, unit of measure, hours, and the unit and total prices. This invoice must match the corresponding Purchase Order pricing, quantities, and terms, and must be sent to the invoice address listed on the Purchase Order. Any incidental charges such as royalties, selling commissions, nonrecurring engineering, or other incidental charges must be separately itemized and identified on the invoice. The invoice must also include the following information in English, or in the destination country's official language if required: (a) name and address of Supplier and the Honeywell entity purchasing the Goods; (b) name of shipper (if different from Supplier); (c) Honeywell's Purchase Order number(s); (d) country of export; (e) detailed description of the Goods; (f) Harmonized Tariff Schedule number; (g) country of origin (manufacture) of the Goods, or if multiple countries of origin, the country of origin of each part shipped; (h) weights of the Goods shipped; (i) currency in which the sale was made; (j) payment terms; (k) shipment terms used; and (l) all rebates or discounts. The invoice will be accompanied (if applicable) by a signed bill of lading or express receipt evidencing

shipment. Payment of an invoice does not constitute acceptance of the Goods and is subject to appropriate adjustment should Supplier fail to meet the requirements of the Purchase Order. Payment terms are net 120 days from receipt of a Honeywell-approved invoice unless otherwise stated on the face of the Purchase Order or other written agreement executed by both parties. Invoices will not be approved unless they accurately reference conforming Goods received by Honeywell or services satisfactorily performed for Honeywell. Payment will be scheduled for the first payment cycle following the net terms for the Purchase Order.

14. Set Off

Honeywell may deduct any amount owing from Supplier to Honeywell as a set off against any amount owing to Supplier under this Purchase Order.

15. Inspection

15.1. All Goods may be inspected and tested by Honeywell, its customers, higher-tier contractors, and end users at all reasonable times and places. If an inspection or a testing is made on Supplier's premises, Supplier will provide, without additional charge, all reasonable facilities and assistance required for the inspection and tests. In its standard inspection and testing of the Goods, Supplier will use an inspection system accepted by Honeywell in writing. All inspection records, including sub-tier supplier records relating to the Goods, will be maintained by Supplier and made available to Honeywell during the performance of this Purchase Order, and for such longer periods as may be specified by Honeywell.

15.2. Final inspection and acceptance by Honeywell will be at destination unless otherwise specified in this Purchase Order. Honeywell may inspect 100% or a sample of Goods and may reject all or any portion of the Goods or lot of Goods if Honeywell determines them to be defective or nonconforming. If Honeywell performs any inspection (other than the standard inspection) after discovering defective or nonconforming Goods, any additional inspection costs will be paid by Supplier. No inspection, tests, approval, design approval, or acceptance of the Goods relieves Supplier from responsibility for warranty or any latent defects, fraud, or negligence. If the Goods are defective or otherwise do not conform to the requirements of this Purchase Order, Honeywell may, by written notice to Supplier: (a) rescind this Purchase Order as to the Goods; (b) accept the Goods at an equitable reduction in price; or (c) reject the Goods and require the delivery of replacements. Delivery of replacements will be accompanied by a written notice specifying that such Goods are replacements, without additional cost to Honeywell. If Supplier fails to deliver required replacements promptly, Honeywell may correct any retained defective or nonconforming Goods at Supplier's expense; replace them with Goods from another supplier and charge the Supplier the cost thereof, including cover, and any incidental costs; or terminate this Purchase Order for cause.

15.3. Supplier will allow Honeywell, regulatory authorities, and Honeywell customers access to its facilities and quality records upon request.

16. Warranty

16.1. Supplier warrants to Honeywell, its successors, assigns, customers, and end users that, upon delivery, and during the entire Warranty Period specified below, all Goods furnished (including all replacement or corrected Goods or components that Supplier furnishes under this warranty) will (a) be free from defects in material, workmanship, and design, even if the design has been approved by Honeywell, (b) conform to applicable drawings, designs, quality control plans, specifications and samples and other descriptions furnished or specified by Honeywell, (c) be merchantable, (d) be fit for the intended purposes (to the extent the Goods are not of a detailed design furnished by Honeywell) and operate as intended, (e) comply with all applicable national and local laws, (f) be

free and clear of any and all liens, restrictions, reservations, security interests, or encumbrances, and (g) not infringe any patent, published patent application, or other intellectual property rights of any third party existing as of the date of delivery, and not utilize misappropriated third party trade secret information.

- 16.2. As to services, in addition to any express or implied warranties, Supplier warrants that (a) it possesses the requisite expertise, facilities and equipment necessary and appropriate to perform the services, (b) the services will be performed in a safe and workmanlike manner, and (c) the services will be performed in accordance with the highest standards in the industry.
- 16.3. The Warranty Period will be for a period of 24 months from the date of delivery to the end user or such longer period of time mandated by any longer or broader government requirement covering the Goods. In addition to the warranties described above, Supplier also warrants all Goods to the same extent and for the same time period (if extending beyond 24 months) as the warranties provided by Honeywell to Honeywell's customers relating to such Goods. These warranties are for the benefit of Honeywell, Honeywell's customers, and any other person claiming by or through Honeywell. These warranties will survive any delivery, inspection, acceptance, or payment by Honeywell for the entire Warranty Period. Claims for breach of warranty do not accrue until discovery of noncompliance, even if the Goods were previously inspected. The warranties provided are cumulative and in addition to any warranty provided by law or equity. Any applicable statute of limitations runs from the date of discovery. Goods that meet the preceding standards are collectively called "conforming Goods." If conforming Goods are not furnished within the time specified by Honeywell then Honeywell may, at its election and in addition to any other rights or remedies it may have at law or in equity, have the nonconforming Goods repaired, replaced, or corrected at Supplier's expense or credited to Honeywell. Supplier is responsible for the costs of repairing, replacing or correcting nonconforming Goods or crediting them to Honeywell, and for all related costs, expenses and damages including, but not limited to, the costs of removal, disassembly, failure analysis, fault isolation, reinstallation, re-inspection, and retrofit of the nonconforming Goods or of Honeywell's affected end-product; all freight charges; all customer charges; and all corrective action costs (i.e., costs of additional inspection or quality-control systems). Unless set off by Honeywell, Supplier will reimburse Honeywell for all such costs upon receipt of Honeywell's invoice. Any replacement Goods are warranted for the same period as the original Goods. Additionally, if any services are found not to be performed as warranted within a period of 24 months after the conclusion of the performance of the services by Supplier, Honeywell may direct Supplier to either refund to Honeywell the amount paid for the services, or perform the services again in a proper manner to the extent necessary to provide Honeywell with the result originally contemplated by Honeywell.

17. Changes

Honeywell may, by written or electronic notification, direct changes in the drawings, designs, specifications, method of shipment or packing, quantity, or time or place of delivery of the Goods; reschedule the services; or require additional or diminished services. Only authorized Honeywell procurement representatives may issue changes to the Purchase Order. If any change causes an increase or decrease in the cost of, or the time required for, performing this Purchase Order, an equitable adjustment will be made in the Purchase Order price, delivery dates or both, and this Purchase Order will be modified in writing or electronically accordingly. Any claim by Supplier for adjustment under this provision may be deemed to be waived unless asserted in writing (including the amount of the claim) and delivered to Honeywell within 30 days from the date of the receipt by Supplier of the Honeywell-directed change to the Purchase Order. If the cost of property made obsolete or excess as a result of a change is paid by Honeywell, Honeywell may prescribe the manner of disposition of the property. Notwithstanding any disagreement between the parties regarding the impact of a change, Supplier will proceed diligently with its performance under this Purchase Order pending resolution of the disagreement.

18. Design and Process Changes

Supplier will make no changes to the design, materials, manufacturing location, or processes specified in the Purchase Order or documents referenced in it, or if none, those in place when the Purchase Order is issued, without the advance written approval of Honeywell's procurement representative. Changes to a process include, but are not limited to, changes to the production process, changes in manufacturing equipment, changes in manufacturing location, or changes between a manual and automated process. This requirement applies whether or not the change affects costs and regardless of the type of change, including product improvements.

19. Stop Work

At any time by written notice and at no cost, Honeywell may require Supplier to stop all or any part of the work under this Purchase Order for up to 120 days (Stop Work Order), and for any further period as Supplier and Honeywell may agree. Immediately upon receipt of a Stop-Work Order, Supplier will comply with its terms. At any time during the stop-work period, Honeywell may, in whole or in part, either cancel the Stop Work Order or terminate the work under the Termination section of this Purchase Order. To the extent the Stop Work Order is canceled or expires, Supplier must resume work.

20. Termination

- 20.1. The nonbreaching party may terminate this Purchase Order if the other party commits a material breach and fails to remedy the breach within 10 calendar days following receipt of written notice specifying the grounds for the breach. A material breach includes, but is not limited to, late delivery or delivery of nonconforming Goods. If Supplier breaches its obligations to Honeywell and Honeywell terminates this Purchase Order in whole or in part, Honeywell may charge Supplier for any additional cost it incurs in performing Supplier's obligations or in having such obligations performed by a third party. The solvent party may terminate this Purchase Order upon written notice if the other party becomes insolvent or if any petition is filed or proceedings commenced by or against that party relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors. If a termination by Honeywell for breach by Supplier is determined to have lacked cause, such termination will be treated as a termination without cause under Section 20.2.
- 20.2. Notwithstanding any firm time period or quantity on the face of the Purchase Order, Honeywell may terminate this Purchase Order in whole or in part at any time with or without cause for undelivered Goods or unperformed services upon 10 days' prior written notice.
- 20.3. If Honeywell terminates this Purchase Order under either 20.1 or 20.2, Honeywell's sole liability to Supplier, and Supplier's sole and exclusive remedy, is payment for Goods received and accepted by Honeywell before the termination. The payment can be set off against any damages to Honeywell. Upon termination, Honeywell may require Supplier to transfer title and deliver to Honeywell any completed Goods and Honeywell will pay the Purchase Order price for those Goods subject to set off against any damages to Honeywell. Honeywell may also require Supplier to transfer title and deliver to Honeywell any or all property produced or procured by Supplier to perform this Purchase Order. Honeywell will credit Supplier with the reasonable value of the property, but not more than Supplier's actual cost or the Purchase Order value, whichever is less.
- 20.4. To the extent that any portion of this Purchase Order is not terminated under 20.1 or 20.2 above, Supplier will continue performing that portion.

21. Cessation of Production

If production of any Goods called for under this Purchase Order is to be discontinued or suspended at any time within one year after final delivery of any Goods under this Purchase Order, Supplier must give Honeywell at least 180 days prior written notice of the discontinuance or suspension. During the notice

period Supplier must accept orders from Honeywell for the Goods at the price and on the terms of this Purchase Order.

22. General Indemnification

Supplier will, at its expense, defend and indemnify Honeywell and its subsidiaries, affiliates, and agents, and their respective officers, directors, shareholders, and employees, and Honeywell's customers (collectively "Indemnitees") from and against any and all loss, cost, expense, damage, liquidated damages, claim, demand, or liability, including reasonable attorney and professional fees and costs, and the cost of settlement, compromise, judgment, or verdict (collectively, "Damages") incurred by or demanded of an Indemnitee arising out of, resulting from or occurring in connection with Supplier's Goods or services or Supplier's negligence, willful misconduct, or breach of the terms of this Purchase Order. In no event will Supplier enter into any settlement without Honeywell's prior written consent, which will not be unreasonably withheld. If Honeywell is obligated to pay Damages pursuant to its contract with a customer, then Supplier will be liable for such Damages to the extent Supplier causes or contributes to those Damages. Nothing in this Section limits Honeywell's right to claim all actual damages sustained by Honeywell as a result of Supplier-caused delays.

23. Intellectual Property Indemnification

For Goods provided under this Purchase Order, Supplier will, at its expense, defend and indemnify Indemnitee from and against any and all loss, cost, expense, damage, claim, demand, or liability, including reasonable attorney and professional fees and costs, and the cost of settlement, compromise, judgment, or verdict incurred by or demanded from Indemnitee arising out of, resulting from, or occurring in connection with any alleged: (a) patent, copyright, or trademark infringement; (b) unlawful disclosure, use, or misappropriation of a trade secret; or (c) violation of any other third-party intellectual property right, and from expenses incurred by Indemnitee in defense of such suit, claim, or proceeding if Supplier does not undertake the defense thereof. Supplier will have the right to conduct the defense of any such claim or action and, consistent with Indemnitee's rights hereunder, all negotiations for its settlement. But in no event will Supplier enter into any settlement without Honeywell's prior written consent, which will not be unreasonably withheld. Indemnitee may participate in a defense or negotiations to protect its interests. If any injunction or restraining order is issued, Supplier will, at its expense, obtain for Indemnitee either the right to continue using and selling the Goods or replace or modify the Goods to make them noninfringing.

24. Insurance

Supplier will maintain and carry liability insurance in an amount no less than the greater of (a) the minimum amount required by applicable law, or (b) the following coverages: commercial general liability (including product liability and, for services to be performed, completed operations liability) in a sum no less than \$5 million, automobile liability in a sum no less than \$5 million, worker's compensation in an amount no less than the applicable statutory minimum requirement, and employer's liability in an amount of no less than \$5 million, all with insurance carriers with an AM Best's rating of no less than A- or equivalent. In addition, Supplier is responsible for maintaining an adequate level of insurance to cover any potential losses due to damage to Honeywell Property, as defined in Section 10. All insurance required by this Section must cover Honeywell, its subsidiaries and affiliates, and their respective officers, directors, shareholders, employees and agents as additional insureds. Before delivery of any Goods or commencement of any services under the Purchase Order, Supplier will provide to Honeywell evidence that Seller maintains the described insurance, and that the coverage will not be changed without 30 days advance written notification to Honeywell from the carrier(s). Except where prohibited by law, Supplier will require its insurers to waive all rights of recovery or subrogation against Honeywell, its subsidiaries and affiliated companies, and its and their respective officers, directors, shareholders, employees, and

agents. The amount of insurance carried in compliance with the above requirements is not to be construed as either a limitation on or satisfaction of the indemnification obligation in this Purchase Order.

25. Lien Waivers

Supplier will furnish, upon Honeywell's request, waivers by Supplier and all other persons entitled to assert any lien rights in connection with the performance of this Purchase Order and will indemnify Honeywell against all costs, loss or liability incurred by Honeywell as a result of any failure by Supplier or any other person to comply with this provision.

26. Confidentiality and Intellectual Property

26.1. All information, including without limitation specifications, samples, drawings, materials, know-how, designs, processes, and other technical, business, or financial information, that: (a) has been or will be supplied to Supplier by or on behalf of Honeywell; or (b) Supplier will design, develop, or create in connection with this Purchase Order; as to individual items or a combination of components or both, and whether or not completed, and all derivatives of (a) and (b) that Supplier has or will design, develop or create are deemed to be "Confidential Information" of Honeywell. All Confidential Information is work made for hire and made in the course of services rendered. All rights to it belong exclusively to Honeywell, with Honeywell having the sole right to obtain, hold, and renew, in its own name or for its own benefit, patents, copyrights, registrations, or other appropriate protection. To the extent that exclusive title or ownership rights in Confidential Information may not originally vest in Honeywell, Seller irrevocably assigns transfers and conveys to Honeywell all right, title, and interest therein.

26.2. Honeywell's Confidential Information will remain the property of Honeywell. It may not be used by Supplier for any purpose other than for performing this Purchase Order, may not be disclosed to any third party, and will be returned to Honeywell upon the earlier of Honeywell's written request or completion of the Purchase Order. If, with Honeywell's prior written approval, Supplier furnishes Confidential Information to a sub-tier supplier, Supplier will bind the sub-tier supplier to confidentiality requirements substantially identical to this provision and Supplier will remain responsible to Honeywell for any breach of this provision by its sub-tier suppliers. No disclosure, description or other communication of any sort will be made by Supplier to any third person of the fact of Honeywell's purchase of Goods hereunder, the terms of this Purchase Order, the substance of any discussions or negotiations concerning this Purchase Order, or either party's performance under this Purchase Order.

27. Audit

27.1. Supplier will maintain suitably detailed records as may be necessary to adequately reflect Supplier's compliance with the terms of this Purchase Order. Supplier will permit Honeywell's auditors, all regulatory authorities and Honeywell's customers to have access at all reasonable times to Supplier's facilities, books and other pertinent records. Supplier will require each of its sub-tier suppliers to do likewise with respect to their facilities, books and records. Supplier and each sub-tier supplier will also furnish other information as may be needed by Honeywell's representatives in auditing compliance.

27.2. Honeywell may perform audits up to two years following completion of this Purchase Order. If, as a result of an audit, any invoice submitted by Supplier is found to be in error, an appropriate adjustment will be made to the invoice or the next succeeding invoice following the discovery of the error and will be paid promptly by Supplier or Honeywell, as the case may be. Supplier will promptly correct any other Supplier deficiencies discovered as a result of the audit.

28. Limitation of Liability

IN NO EVENT SHALL HONEYWELL BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES (INCLUDING ANY DAMAGES FROM BUSINESS INTERRUPTION, LOSS OF PROFITS OR REVENUE, COST OF CAPITAL, OR LOSS OF USE OF ANY PROPERTY OR CAPITAL) EVEN IF HONEYWELL HAS BEEN ADVISED OF, OR IS OTHERWISE AWARE OF, THE POSSIBILITY OF ANY SUCH DAMAGES OR CLAIMS. THE EXCLUSION OF SUCH DAMAGES OR CLAIMS SHALL BE DEEMED INDEPENDENT OF, AND SHALL SURVIVE, ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY UNDER THESE TERMS AND CONDITIONS. HONEYWELL'S LIABILITY FOR DAMAGES HEREUNDER SHALL IN NO CASE EXCEED THE CONTRACT PRICE FOR THE SPECIFIC GOOD THAT GAVE RISE TO THE DAMAGES. THESE EXCLUSIONS AND LIMITATIONS ON DAMAGES SHALL APPLY REGARDLESS OF HOW THE LOSS OR DAMAGE MAY BE CAUSED AND AGAINST ANY THEORY OF LIABILITY, WHETHER BASED ON CONTRACT, INDEMNITY, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY.

29. Assignment and Subcontracting

Supplier will not assign this Purchase Order or any rights or obligations under it or subcontract all or any material aspect of the work called for without the prior written approval of Honeywell. Any assignment without Honeywell's written approval will be voidable at the option of Honeywell. Honeywell may assign this Purchase Order or any of its rights or obligations to any of its subsidiaries or affiliates, or to any purchaser or successor to all or substantially all of the assets of the business or product line to which this Purchase Order relates without Supplier's consent and upon written notice to Supplier.

30. Relationship of Parties/Independent Contractor

Nothing in this Purchase Order will be construed to place Supplier and Honeywell in an agency, employment, franchise, joint venture, or partnership relationship. Neither party has the authority to obligate or bind the other in any manner, and nothing contained in this Purchase Order will give rise or is intended to give rise to rights of any kind to any third parties. Neither party will make any representation to the contrary. The parties agree that Supplier will perform its obligations under this Purchase Order as an independent contractor. Supplier retains the right to exercise full control of, supervision over and responsibility for Supplier's performance hereunder, including the employment, direction, compensation and discharge of Supplier's personnel, as well as compliance with workers' compensation, unemployment, disability insurance, social security, withholding and all other laws, rules, codes, regulations and ordinances governing such matters.

31. Compliance with Laws and Integrity

- 31.1. Supplier will comply with all applicable national, state and local laws, regulations and ordinances and Honeywell's Code of Business Conduct ("Code") in performing this Purchase Order. A copy of the Code may be obtained at <http://www.honeywell.com/sites/honeywell/codeofconduct.htm>. Supplier will maintain an integrity and compliance program acceptable to Honeywell and effective in preventing and correcting ethical violations and in maintaining compliance with laws.
- 31.2. Upon request, in form and substance satisfactory to enable Honeywell to meet its compliance obligations with regard to Regulation (EC) No. 1907/2006 ("REACH"), Supplier will provide Honeywell with complete information regarding the chemical composition of any Goods (substances, preparations, mixtures, alloys or goods) supplied under this Purchase Order, including all safety information required under REACH and information regarding the registration or pre-registration status of any Goods pursuant to REACH. Supplier agrees that it will include any Honeywell "Identified Use" in its REACH registrations or applications for Authorization, unless Supplier notifies Honeywell that it rejects the Identified Use in order to protect human health or the

environment and specifies the reason for the rejection, in which case Honeywell will have the right to terminate this Purchase Order without incurring any damages.

- 31.3. All Goods certified by Supplier as RoHS-compliant will comport in all respects with Article 4.1 of the European Parliament Directive 2002/95/EC (RoHS Directive) as that Directive is updated from time to time.
- 31.4. Goods will comply with the restrictions set forth in the Montreal Protocol on ozone-depleting substances.
- 31.5. Supplier will be responsible for all costs and liabilities for or relating to the recycling of Goods pursuant to the most current version of European Parliament Directive 2002/96/EC (WEEE Directive) as that Directive is implemented in each country.

32. Applicable Law and Forum

32.1. United States

If Honeywell is a legal entity formed in the United States, then the construction, interpretation, and performance hereof and all transactions hereunder will be governed by the laws of the State of New York, U.S.A. without regard to or application of its principles or laws regarding conflicts of laws, and excluding the United Nations Convention on the International Sale of Goods of 1980 (and any amendments or successors thereto), and the federal or state courts in New York, New York will have exclusive jurisdiction of any dispute.

32.2. Asia Pacific

If Honeywell is a legal entity formed in an Asia Pacific country, then the construction, interpretation, and performance hereof and all transactions hereunder will be governed by the laws of the country under which the Honeywell entity is formed, excluding the UN Convention on Contracts for the International Sale of Goods of 1980 (and any amendments or successors thereto), and the courts of that country will have exclusive jurisdiction of any dispute except for the following locations where and any dispute arising out of or relating to this Purchase Order, including the breach, termination or validity thereof, will be finally resolved in accordance with the rules of arbitration as noted below. Judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration and the language of arbitration will be selected by Honeywell.

- China - in accordance with the arbitration rules of the China International Economic and Trade Arbitration Commission
- India – in accordance with the arbitration rules of the Indian Arbitration and Conciliation Act 1996
- Singapore, Indonesia, Vietnam, Australia, and New Zealand - in accordance with the arbitration rules of the Singapore International Arbitration Center
- Korea - in accordance with the arbitration rules of the Korean Commercial Arbitration Board
- Hong Kong - in accordance with the arbitration rules of the Hong Kong International Arbitration Center
- Malaysia - in accordance with the arbitration rules of the Kuala Lumpur Regional Arbitration Centre
- Taiwan - in accordance with the arbitration rules of the local Arbitration Act

Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party may also, without waiving any remedy under this Purchase Order, 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.

32.3. Europe, Middle East, and Africa

If Honeywell is a legal entity formed in a European, Middle Eastern or African country then the construction, interpretation, and performance hereof and all transactions hereunder will be governed by the laws of the country under which the Honeywell entity is formed, excluding the UN Convention on Contracts for the International Sale of Goods of 1980 (and any amendments or successors thereto) if applicable in such country, and any dispute arising out of or relating to this Purchase Order, including the breach, termination or validity thereof, will be finally resolved by a panel of three arbitrators in accordance with the Rules for Arbitration of the London Court of International Arbitration. Judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration and the language of arbitration will be selected by Honeywell. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party may also, without waiving any remedy under this agreement, 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.

32.4. Other Locations

For those Purchase Orders issued by Honeywell entities formed in countries not identified above, (a) the laws of the country, and if applicable, state or province where the Honeywell entity issuing the Purchase Order was formed will apply and (b) the courts sitting in the country, and if applicable, state or province, where the Honeywell entity issuing the Purchase Order was formed will have exclusive jurisdiction of any dispute.

Pending settlement or final resolution of any dispute, Supplier will proceed diligently with the performance of this Purchase Order in accordance with Honeywell's directions.

33. Remedies

All Honeywell remedies set forth in this Purchase Order are in addition to, and will in no way limit, any other rights and remedies that may be available to Honeywell at law or in equity.

34. Notices

All Notices relating to this Purchase Order must be in writing. Notices to the parties will be sent to their respective addresses appearing on the face of this Purchase Order. Notices must be delivered personally; or delivered by recognized overnight courier; or mailed certified first class mail, postage prepaid; or sent by facsimile transmission to the facsimile number provided by Honeywell or Supplier respectively; or sent by electronic transmission (email) with proof of delivery. Any Notice will be deemed given on the date delivered if delivered personally; three business days after being placed in the mail as specified; or upon confirmation receipt that it was transmitted satisfactorily if transmitted by facsimile or electronic transmission.

35. Publicity

Any news release, public announcement, advertisement, publicity or any other disclosure concerning this Purchase Order to any third party except as may be necessary to comply with other obligations stated in this Purchase Order requires prior written approval of Honeywell.

36. Headings and Captions

Headings and captions are for convenience of reference only and do not alter the meaning or interpretation of any provision of this Purchase Order.

37. Waiver

The failure of either party to enforce at any time any of the provisions of this Purchase Order will not be construed to be a continuing waiver of any provisions hereunder, nor will any such failure prejudice the right of such party to take any action in the future to enforce any provisions hereunder.

38. Severability

If any provision of this Purchase Order is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, that provision will be severed from this Purchase Order; the remaining provisions will remain in full force and effect; and a similar legal, valid and enforceable provision will be substituted in lieu of the severed provision.

39. Supply Chain Security

Supplier will implement the Business Partner Criteria of any Supply Chain Security Program that the country of import for the Goods may adopt such as the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) or the Canadian Partners in Protection (PIP) Program.

40. Survival

All provisions of this Purchase Order which by their nature should apply beyond its term will remain in force after any termination or expiration of this Purchase Order including, but not limited to, those addressing the following subjects: Import/Customs Compliance, Price, Price: Most Favored Customer and Meet or Release, Invoicing and Payment, Set Off, Warranty, Cessation of Production, General Indemnification, Intellectual Property Indemnification, Insurance, Confidentiality and Intellectual Property, Audit, Applicable Law and Forum, Publicity, and Survival.