

### 1. Definitions

**“Acceptance Tests”** means the collective reference to the performance, quality and reliability demonstrations and tests as may be set out in the Scope of Work and/ or technical specifications provided in the Purchase Order/Contract documents/ statement of work.

**“Acceptance” or “Accepted” or “Accept”** means the successful completion by the Sub-Contractor as set forth in the Scope of Work validated through acceptance tests as may be required by Honeywell or its customer in respect of works or any relevant portion thereof and to be evidenced by a written sign off from Honeywell authorized representative.

**“Acceptance Sign off”** means an acceptance in writing from Honeywell’s authorized representative confirming successful completion and or Acceptance of the Scope of Subcontract Work validated through acceptance tests.

### 2. PURCHASE ORDER ACCEPTANCE-ORDER OF PRECEDENCE-MODIFICATION

- A. These Project Specific Purchase Order terms (“Agreement”) are for the purchase of services (the “Subcontract Work”) from subcontractor (“Subcontractor”) in connection with a project (the “Project”).
- B. 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, or any previously executed non-disclosure agreement (the obligations of which remain in effect), supersede any prior or contemporaneous communications, representations, promises, or negotiations, whether oral or written, respecting the subject matter of these Agreement terms. All contract documents related to this purchase order are interpreted together as one agreement. No modification of these Agreement terms will be binding on either Party unless set forth in a writing signed by an authorized representative of both Parties specifically stating it is amending these Agreement terms. No course of dealing, prior dealings, usage of trade or course of performance will be used to modify, supplement or explain any terms used in these Agreement terms.

### 3. SCOPE OF SUBCONTRACT WORK

Subcontractor will furnish, under the general supervision of Honeywell, pay for all labor, equipment, materials, skill and instrumentalities, and perform all the work necessary to complete the Subcontract Work, whether specifically described in a Scope of Work (“SOW”) attached or detailed, on the face of the Purchase Order (“PO”) or which may be

reasonably implied to complete the job, as a functional unit, for the use intended.

### 4. HAZARDOUS MATERIAL LIABILITY

- A. Subcontractor agrees to waive and release all lien rights and claims now existing or that may at some future time arise on the job; to furnish, if requested, waivers of liens and claims from every person furnishing labor or material for the job; and to protect Honeywell, the job, and Honeywell’s customer from all expenses arising out of the Subcontractor’s efforts under this Agreement.
- B. If the Subcontractor encounters asbestos containing material, formaldehyde, lead, or potentially toxic or otherwise hazardous material, including but not limited to mold, mildew, fungi or other similar microbial conditions in the performance of its work, or disturbs painted surfaces in pre-1978 homes and child-occupied facilities as defined by the Environmental Protection Agency’s Renovation, Repair & Painting Rule, Subcontractor will immediately halt work on the affected portion and contact Honeywell for further instructions. Subcontractor will indemnify and hold Honeywell harmless from and against any and all claims and the cost of the claims, including attorneys’ fees, damages for bodily injury and property damage which may arise as the direct result of Subcontractor’s work in or around asbestos or other hazardous or toxic substances, as well as any mold, mildew, fungi or other similar microbial condition caused by the Subcontractor, its subcontractors, agents or employees in the performance of the work. UNDER NO CIRCUMSTANCES WILL HONEYWELL BE LIABLE FOR ANY INJURY TO SUBCONTRACTOR WHICH IS THE RESULT OF SUBCONTRACTOR’S EXPOSURE TO ASBESTOS OR OTHER TOXIC OR HAZARDOUS SUBSTANCES.

### 5. FLOW DOWN OBLIGATIONS

- A. Subcontractor agrees to assume toward Honeywell, as applicable to the Subcontractor’s scope of work, all the obligations that Honeywell has assumed toward Honeywell’s customer or an entity that has contracted with Honeywell’s customer and has obligations which flow down to Honeywell (“Prime Related Contract”) by the terms of the plans and specifications, general conditions and supplementary conditions, relating to the entire project (“Prime Contract”), which Prime Contract and Prime Related Contract are available for examination by Subcontractor.
- B. Subcontractor indemnifies Honeywell and/or its customer against:
  1. liquidated damages for delay payable by Honeywell under the Prime Contract; and

2. other damages payable by Honeywell under or in connection with the Prime Contract in consequence of Honeywell failing to achieve completion under the Prime Contract by the required date for completion, arising out of or in connection with any act or omission of the Subcontractor.

Subcontractor's liability to indemnify under this Section will be reduced proportionally to the extent that any of the costs, expenses, losses or damages suffered or incurred by Honeywell as referred to in this Section is caused by a breach of this Agreement by Honeywell or by Honeywell's negligence.

C. Subcontractor agrees that so far as any ambiguity or doubt may arise as to the meaning of any of the provisions or descriptions in this Agreement the terms and provisions of the Prime Contract will be considered in order to resolve such ambiguity, and whenever possible this Agreement will be construed consistently with the requirements of the Prime Contract and all its contract documents and provisions in so far as they may concern the Works to be carried out under this Agreement.

D. Subcontractor warrants that it will observe and comply with all of Honeywell's obligations under the Prime Contract insofar as they relate to the Works as if those obligations were expressly stated in this Subcontract as obligations of Subcontractor.

E. Subcontractor agrees that in the performance of the Works, Subcontractor makes the same warranties to Honeywell as Honeywell has made to the Customer under the Prime Contract.

F. Subcontractor agrees that, if the Prime Contract requires Honeywell to impose specific terms, conditions or warranties into its subcontracts, those terms, conditions and warranties are deemed to be incorporated into this Agreement.

G. Subcontractor acknowledges that Honeywell may suffer loss or liability under the Prime Contract if the Subcontractor does not properly perform and comply with its obligations under this Agreement and warrants that it will perform its obligations under this Agreement so as not to:

- i. cause Honeywell to breach or incur any loss or liability under the Prime Contract.
- ii. prejudice, or cause any diminution or loss of, any rights or entitlements of Honeywell under the Prime Contract; or

- iii. Otherwise, interfere in Honeywell's exercise of its rights or performance of its obligations under the Prime Contract; and

H. The subcontractor agrees to indemnify Honeywell from and against any cost, expense, loss, damages or liability incurred or suffered by Honeywell in connection with the Prime Contract and arising out of or in connection with any breach by the Subcontractor of the warranties and agreements set out in this Section.

## 6. DELIVERY

Time is of the essence with respect to the job schedule. Subcontractor will begin the Subcontract Work as soon as the Project is ready for the Subcontract Work or, in any event, within 72 hours after being notified by Honeywell to do so and will complete the job in accordance with the job schedule/SOW furnished by Honeywell. If Subcontractor reasonably believes that it will be unable to meet the job schedule or any portion of the job schedule, Subcontractor will immediately notify Honeywell of the anticipated delay and take immediate corrective action to comply with the job schedule (including without limitation working overtime or providing additional personnel or equipment or other resources). All corrective actions will be at Subcontractor's sole cost and expense, unless the delay or anticipated delay is caused by Honeywell, in which case the Parties will mutually agree on a corrective action plan and apportioning of the cost. If Subcontractor fails to promptly develop and implement a corrective action plan, Honeywell may implement its own corrective action plan and / or hire a new subcontractor to carry out the scope of work at Subcontractor's expense. No oral extensions of time for the performance of this Agreement will be recognized.

## 7. PERFORMANCE ASSURANCE PLAN

If Honeywell, in its sole discretion, determines there is a significant risk that Subcontractor will fail, or that Subcontractor has failed to meet its performance or delivery obligations under this Agreement, then Honeywell may require Subcontractor to perform under a Honeywell or Honeywell-approved Performance Assurance Plan. The Performance Assurance Plan may include specific reporting and performance requirements reasonably tailored to ensure or measure Subcontractor's adequate performance under identified provisions of this Agreement. Any failure by Subcontractor to satisfy the terms of the Performance Assurance Plan is a material breach. Subcontractor is liable for all work, costs and expenses Honeywell incurs or sustains by providing resources to assist Subcontractor in meeting its performance obligations under this Agreement. Honeywell will have the right to seek recovery of all costs on a monthly basis. Subcontractor will pay Honeywell's costs within 30 days after

receipt of invoice or Honeywell may set off the costs from payments owing from Honeywell to Subcontractor.

## **8. SPECIFIC PERFORMANCE**

Subcontractor hereby acknowledges and agrees that Honeywell would be irreparably damaged in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached. Accordingly, Subcontractor agrees that, in addition to any other remedy to which Honeywell is entitled at law or in equity, Honeywell will be entitled to a temporary, preliminary and/or permanent injunction(s) to prevent breach of and enforce terms in this Agreement without the need to prove a lack of an adequate remedy at law. In either case, no bond or other security will be required. Subcontractor further acknowledges in the event it alleges a breach of the terms of this Agreement, it will continue performance until such allegation is resolved and if Subcontractor fails to continue performance, Honeywell is entitled to a temporary, preliminary and/or permanent injunction or injunctions.

## **9. DEFECTS**

Subcontractor is responsible for the checkout and verification of its own work. If any deficiencies or defects are discovered after the Subcontract Work is turned over to Honeywell, the deficiencies and defects will be expeditiously corrected at Subcontractor's expense for the duration of the warranty period, defined in Section 22 of this Agreement.

## **10. DESIGN OBLIGATIONS**

- A. If Subcontractor's scope of work covers design/build responsibilities, Subcontractor will specify all performance and design criteria related to the systems, materials or equipment to be provided for the project. Subcontractor will cause the services to be provided by a properly licensed design professional, whose signature and seal will appear on all drawings, calculations, specifications, certifications, shop drawings and other submittals prepared by those professionals. Shop drawings and other submittals related to the work designed or certified by a professional, if prepared by others, will bear the professional's written approval when submitted to Subcontractor. Honeywell will be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by the design professionals. Honeywell will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given by Subcontractor and the design concept expressed in the Prime Contract or Agreement. Honeywell will not be responsible for the adequacy of the performance or design criteria required by the Prime Contract or Agreement.

- B. The drawings, specifications and other documents prepared by Subcontractor are for use solely with respect to the Subcontract Work. They are not to be used by Subcontractor or any sub-subcontractor or material or equipment supplier on other projects or for additions to the scope of work without the specific written consent of Honeywell. Subcontractor, sub-subcontractors and material or equipment suppliers are authorized to use and reproduce applicable portions of the drawings, specifications and other documents prepared by Subcontractor appropriate to and for use in the execution of their work under the Subcontract Work.

## **11. WAGE LAWS**

- A. The project may be governed by, and subject to, certain prevailing wage laws, rules and regulations, including, without limitation, the Wage Rate Requirements (Construction), 40 U.S.C. chapter 31, subchapter IV, and similar state statutes (the prevailing wage laws, rules, and regulations applicable to this project, as amended from time-to-time, are referred to herein as the "Prevailing Wage Laws"), and related wage schedule(s) ("Wage Schedule"). If and to the extent that this project is subject to any U.S. federal Prevailing Wage Laws, the following Prevailing Wage Laws are incorporated in this Agreement and are applicable to the Subcontract Work: all rulings and interpretations of the Wage Rate Requirements (Construction), 40 U.S.C. chapter 31, subchapter IV, the Service Contract Act of 1965, related acts, and all rules and regulations promulgated thereunder, including, without limitation, 29 C.F.R. Parts 1, 3 and 5. The Wage Schedule, if applicable, has been or will be provided to Subcontractor or, if not provided to Subcontractor, will be Subcontractor's responsibility to obtain. Subcontractor will and will cause its lower tier subcontractors ("LTS") to strictly comply with all applicable Prevailing Wage Laws and pay all workers prevailing wages and benefits as required by such Prevailing Wage Laws of that Country. In addition, Subcontractor will and will cause LTS to: (i) ensure that all workers sign in and out of the site each day and submit the completed sign in/sign out sheets to Honeywell at the end of each work day, (ii) submit the attached Statement of Compliance, Exhibit A, and a reasonable number of certified copies of current payroll records on the form incorporated in this Agreement as Exhibit A-1 with each request for payment (it being understood and agreed that receipt of such information by Honeywell will be a condition precedent to making any payments to Subcontractor) or on a weekly or other more frequent basis, if and to the extent required under the Prime Contract or Prevailing Wage Laws, (iii) provide Honeywell cancelled worker payroll checks which correspond to the certified payrolls as they become

available, but no later than 30 days after the check was issued, (iv) submit proof satisfactory to Honeywell upon Honeywell's request that all wages and benefits owed to workers by Subcontractor and LTS have been paid and provided, and (v) promptly notify Honeywell in writing, within five days of receipt, of any notices they receive (or have knowledge of) from any government agencies regarding Subcontractor's or LTS' compliance or non-compliance with Prevailing Wage Laws, including, without limitation, providing copies of any such notices. Notwithstanding the other provisions of this Section, the Prime Contract shall control and take precedence and Subcontractor shall perform all obligations under the Prime Contract for the benefit of Honeywell that Honeywell is required to perform for the benefit of its customer, with respect to all matters relating to prevailing wages and benefits and Prevailing Wage Laws to the extent that the Prime Contract imposes stricter burdens and obligations than this Section.

B. This Agreement incorporates the following clauses by reference, with the same force and effect as they were given in full text. Upon request, Honeywell will make their full text available. Also, the full text of a clause may be accessed electronically at this address: Federal Acquisition Regulation ("FAR") (clauses starting with 52): <http://www.acquisition.gov/browse/index/far>:

1. Clause 52.222-6 of the 52.222-6 Construction Wage Rate Requirements
2. Clause 52.222-41 of the Service Contract Labor Standards

C. The subcontractor will, and will cause LTS to, grant Honeywell the right to examine all books, records, files, accounts, computer records, documents, and correspondence including, without limitation, electronically stored information, in the possession or control of Subcontractor, LTS or any affiliated business of any of them. At the request of Honeywell, Subcontractor will, and will cause LTS to, execute such documents, if any, as are necessary to give Honeywell access to books, documents, or records that are under Subcontractor or LTS's control, in whole or in part, but not currently in Subcontractor's physical possession pertaining to the Honeywell customer project. Subcontractor will, and will cause LTS to, give Honeywell all authorizations, permissions, and/or waivers requested by Honeywell for obtaining records pertaining to Subcontractor or LTS, but not maintained by Subcontractor or LTS, including, without limitation, bank records and credit reports, from the persons or entities that possess them, including but not limited to financial institutions and credit reporting agencies.

D. The terms and conditions of this Agreement, including, without limitation, this Section, are intended solely for the benefit of the signatories to this Agreement. Individual workers who furnish labor in connection with or related to this Agreement or the project are not intended beneficiaries of this Agreement, and therefore, cannot assert common law breach of contract or other claims arising under this Agreement or any quasi-contract claims. Subcontractor's failure to comply with any obligation contained in this Section will be deemed a material breach of this Agreement.

## **12. LABOR OBLIGATIONS**

Subcontractor will comply with Honeywell's National Pneumatic Control Systems Installation & Service Agreement and will employ union labor for all work covered under the scope of the trade jurisdiction of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO. The subcontractor also agrees to comply with any other union obligations which may exist on the project related to the scope of work they will perform. Subcontractor further agrees that all such obligations will extend to any sub-subcontractors that Honeywell may agree to under the terms of this Agreement.

## **13. INVOICING AND PAYMENT**

A. The subcontractor will submit an invoice listing a description of the Subcontract Work provided. Any agreed payment milestones shall be achieved only when all test & acceptance criteria have been met and Subcontractor must provide invoices no later than 90 days after provision of Subcontract Work to Honeywell, otherwise Subcontractor waives its right to payment. This invoice must match the corresponding purchase order pricing, quantities, terms and are supported with Acceptance Sign Off as defined hereinabove and must be sent to the bill to address listed on this Agreement. Invoice without accompanying Acceptance Sign Off shall be deemed to be rejected by Honeywell for payment claims. All applicable taxes and other government charges must be separately itemized and identified on the invoice. 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 Subcontract Work and is subject to appropriate adjustment should Subcontractor fail to meet the requirements of this Agreement. Invoices will not be approved unless they accurately reference conforming Subcontract Work received by Honeywell or services satisfactorily performed for Honeywell, as well as a valid purchase order number, Subcontractor name and address, line description, quantity at line level, price at line level, withholding rates and/or amounts for applicable taxes. Payment will be scheduled for the first

payment cycle following the net terms for the purchase order.

B. The prices set in the Purchase Order shall be firm and fixed and no claim, escalation or price adjustment on any account whatsoever, including a claim based on foreign exchange fluctuation, tariffs, shall not be tenable and shall not be entertained by Honeywell in relation to the increase of the price. Honeywell shall pay at the rate mentioned in the Purchase Order. Unless otherwise stated in the Purchase Order prices shall include all charges and expenses in connection with the scope of works, packing, delivery to site etc.

C. Honeywell reserves the right to deduct 10% of the amount otherwise due Subcontractor, or an amount allowed by applicable law, whichever is higher, in accordance with the terms on the face of the purchase order after final acceptance by Honeywell's customer.

D. Undisputed invoices submitted more than ninety (90) days after the subcontract work to which the invoice relates were rendered will not be accepted for payment by Honeywell and the Subcontractor hereby releases Honeywell from any and all liability for payment with respect to said invoices.

#### **14. SAFETY OBLIGATIONS**

A. The subcontractor will give all required notices and comply with all applicable laws, statutes, rules, regulations, orders and other legal requirements established to prevent injury, loss or damage to persons or property or to prevent environmental harm. Failure to do so may result in the removal from the project and of consideration of future work with Honeywell.

B. Subcontractor will implement appropriate safety measures pertaining to the Subcontract Work and the project. Without limiting the foregoing, Subcontractor will:

1. Complete risk assessments provided by Honeywell, or equivalent subcontractor processes approved by Honeywell, which identify critical steps and hazards associated with all tasks, assess risk associated with all identified hazards, and identify controls to be integrated to mitigate risk. When work is being completed on a customer site, involvement of the customer and assessment of area specific hazards must be included. Such risk assessments are to be completed prior to the commencement of the work, reviewed at least daily, updated as conditions change, and made available for review by Honeywell upon request.

2. Identify and complete all legally required training and training associated with high-risk tasks (i.e., electrical arc flash, permit required confined space entry, elevated work platforms, Lock Out Tag out, fall protection, etc.), licenses and certifications relevant to the work to be performed by affected personnel. All relevant training records, licenses and certifications are to be made available for review by Honeywell upon request, including, without limitation, prior to the start of work.
3. Complete weekly inspections of the work area and memorialization of such inspections in a form satisfactory to Honeywell and executed by Subcontractor, focusing on housekeeping, employee behavior, safe work procedures, tools and PPE; Subcontractor may use its own form; however, Honeywell reserves the right to require the use of a Honeywell form or require changes to the Subcontractor's form; and
4. Take any reasonable actions requested by Honeywell in connection with Honeywell inspections and audits of Subcontractor's workspace. Honeywell reserves the right to require additional controls be put in place prior to Subcontractor starting the Subcontract Work.

C. Subcontractor will give prompt written notice to Honeywell of any accident involving personal injury, any property damage, any request to stop work by Honeywell's customer, any alleged exposure to hazardous materials or other exposure that could adversely affect health, or any failure that could have resulted in serious personal injury or material property damage, whether or not an injury or property damage was sustained.

D. Subcontractor will establish and submit site-specific safety programs, safety measures, policies and standards conforming to those required or recommended by governmental and quasi-governmental authorities having jurisdiction and by Honeywell and Honeywell's customer, including, but not limited to, requirements imposed by this Agreement and the Prime Contract. To assess compliance with this requirement, Honeywell has engaged with Avetta, a third-party vendor management service, to collect and assess required documentation from subcontractors. Where Avetta or a successor third-party vendor management service is used, Subcontractor shall, at its own expense, maintain a subscription and satisfactory grade with that service. Failure to obtain or maintain a subscription and satisfactory grade shall be considered a material breach of this Agreement.

E. Subcontractor agrees to comply with all other reasonable requests of Honeywell relating to safety and health in connection with the Subcontract Work.

## **15. SUBCONTRACTORS**

Subcontractor may not engage any subcontractors or suppliers to perform or supply any of the Subcontract Work without Honeywell's prior written consent. Subcontractor shall ensure that all lower-tier subcontractors abide by all terms and conditions including those relating to health or safety set forth in this Agreement. Subcontractor will indemnify Honeywell for fines, or penalties imposed on Honeywell as a result of any safety violation by Subcontractor or its lower-tier subcontractors.

## **16. INSURANCE**

Subcontractor will maintain, at its own expense and at all times during the course of this Agreement, those insurance policies and minimum limits of coverage as designated below, with an A.M. Best's Insurance rating of A- or better:

- A. Commercial general liability coverage (including product liability, contractual liability and completed operations liability) in a sum no less than \$2 million.
- B. If automobiles will be used in performance of this Agreement, automobile liability coverage in a sum no less than \$1 million.
- C. Workers' compensation coverage as required by any applicable law or regulation and in accordance with the laws of the state, territory, or province having jurisdiction over Subcontractor's employees; and
- D. Employer's liability coverage in an amount of no less than \$1 million.

Except for workers' compensation insurance, all policies of insurance will include Honeywell International Inc., its subsidiaries, and its and their respective officers, directors, shareholders, employees, agents and customer as additional insureds to the extent of Subcontractor's indemnification obligations pursuant to Section 24 of this Agreement. All policies will provide that they are primary to and noncontributory with any and all insurance maintained by or afforded to an additional insured under such insurance.

Prior to commencement of services, Subcontractor will provide to Honeywell certificates of insurance evidencing compliance with the insurance requirements of this Agreement.

All coverages and coverage limits required under this Agreement can be met through any combination of primary and excess (umbrella) insurance policies allowed by law. The amount of insurance carried in compliance with the above requirements is not to be construed as either a limitation on or satisfaction of any obligations under this Agreement.

Except where prohibited by law, Subcontractor will require its insurers to waive all rights of recovery or subrogation against Honeywell, its subsidiaries and affiliated companies, and its and its respective officers, directors, shareholders, employees and agents. The amount of insurance carried in compliance with the above requirements is not to be considered as either a limitation on or satisfaction of the indemnification obligations in this Agreement

If Subcontractor's scope of work covers design/build responsibilities, Subcontractor will at its expense, procure and maintain Errors and Omissions Insurance in an amount no less than \$5 million.

## **17. ENERGY EFFICIENCY DEDUCTION**

Honeywell is solely entitled to the recovery of any deductions available pursuant to the Internal Revenue Code Section 179D, energy efficient commercial building deductions.

## **18. WORK PRECEDING SUBCONTRACTOR'S**

Unless Honeywell is notified in writing to the contrary, it will be conclusively presumed that work by others that precedes Subcontractor's performance has been done in a proper manner.

## **19. SURETY BONDS**

If the value of this Agreement is equal to or greater than \$100,000 or Honeywell has otherwise communicated a surety requirement to Subcontractor, performance and payment bonds will be required. If required, it will be identified in the scope of work or on the face of the purchase order. Any bonds will be in a form and by a surety acceptable to Honeywell. The cost for any bonds is to be included in the subcontract price.

## **20. BACKGROUND CHECKS**

Subcontractor will secure and pay for background checks for its employees in accordance with the applicable state statutes necessary for the proper execution and completion of Subcontractor's work. Subcontractor will specifically incorporate by reference the foregoing provision with all of its lower-tier subcontractors.

## **21. HONEYWELL EQUIPMENT**

In the event Subcontractor's scope of work covers the receipt of Honeywell furnished equipment, Subcontractor will be required to make a thorough inspection of the packaging and equipment prior to signing a bill of lading with the carrier. A report of the "as delivered" condition is to be furnished to Honeywell. If the packaging or equipment is damaged, Subcontractor will not sign a bill of lading and Honeywell will be notified immediately. Subcontractor's failure to properly inspect the packaging and equipment for visual damage and provide documentation of the "as delivered" condition may

result in damages associated with equipment as well as any resulting delays.

## **22. FLOW UP WARRANTY**

Subcontractor agrees to warrant or guarantee the job to the same extent that Honeywell is obligated to warrant or guarantee the entire project under Honeywell's contract with its customer, but in no event will Subcontractor warrant or guarantee its work against any defects for less than one year after final completion of Honeywell's contract with its customer.

## **23. PROTECTION OF PARTIAL WORK**

Subcontractor agrees to protect partially completed work on the job and equipment or materials left at the job site and to be financially responsible for any damage occasioned by Subcontractor's failure to do so.

## **24. INDEMNIFICATION**

Subcontractor will, at its expense, defend, hold harmless and indemnify Honeywell and its subsidiaries, affiliates, and agents, and their respective officers, directors, shareholders, employees, and customers (collectively "Indemnitees") from and against any and all loss, cost, damage, claim, or liability, including reasonable attorney and professional fees and costs, and the cost of settlement, compromise, judgment, or verdict ("Loss") incurred by or demanded of an Indemnitee arising out of, resulting from or occurring in connection with Subcontractor Work (including any employment-related Loss arising out of, resulting from or occurring in connection with the performance), the acts, omissions, negligence or willful misconduct of Subcontractor or its personnel, Subcontractor's breach of the terms of this Agreement, or any theft or other misappropriation of Honeywell's or its personnel's information, property or funds by Subcontractor or its personnel. Indemnitee may participate in the defense or negotiations to protect its interests. The subcontractor will not enter into any settlement or compromise without Honeywell's prior written consent, which will not be unreasonably withheld. Subcontractor's indemnification includes claims between the Parties including legal fees. If Honeywell is obligated to pay any Loss or any damages pursuant to its contract with a customer, then Subcontractor will be liable for such Loss or any damages to the extent Subcontractor causes or contributes to such Loss or any damages. Nothing in this Section limits Honeywell's right to claim all actual damage sustained by Honeywell as a result of Subcontractor-caused delays. All Honeywell remedies set forth in Subcontract 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.

## **25. INCIDENTAL DAMAGE OBLIGATION**

Subcontractor agrees to be responsible for all incidental damage and expense, relating to the job, caused by

Subcontractor, including, but not limited to: cleaning up and removal of rubbish and debris, cleaning of soiled walls, floors and other surfaces, patching damaged plaster and replacing broken glass.

## **26. PERSONNEL**

Subcontractor will assign qualified personnel to perform the services and will ensure that its personnel devote sufficient time and effort to performing the services as necessary to complete all services in accordance with this Agreement. The subcontractor will bear all liability for the acts or omissions of the personnel assigned to perform the services. If Honeywell determines that any Subcontractor personnel performing services are unacceptable, Honeywell will notify Subcontractor and Subcontractor will take prompt, appropriate corrective action, which may include, at Honeywell's request, replacing the personnel. The subcontractor will pay all costs associated with replacing the personnel. If Subcontractor refuses to replace any of its personnel upon Honeywell's request, Honeywell may immediately terminate this Agreement.

## **27. INSPECTION**

If, in Honeywell's exclusive judgment, Subcontractor is failing to satisfactorily perform any aspect of the job, Honeywell may, at no extra cost to itself and at its sole option:

- A. Require Subcontractor to correct, replace or re-execute faulty or defective work done or materials furnished.
- B. Require Subcontractor to increase the number of workers assigned to the job and to use overtime labor or work on Saturdays, Sundays or holidays to complete the job on schedule; or
- C. Terminate this Agreement and complete or correct the job or retain others to do so. In this event, Honeywell may require materials of the Subcontractor to be left on the job site for use in completing or correcting the job.

Subcontractor will be responsible for all costs or expenses incurred by Honeywell as a result of Subcontractor's failure to satisfactorily perform and the Subcontractor shall immediately credit, secure or pay to Honeywell the positive difference, if any, between the aggregate reasonable cost of such works charged by such other vendor/service provider and the aggregate cost that would have been charged by the Subcontractor had such Purchase Order not been improperly rejected. In addition, with respect to any such improper rejection, the Subcontractor shall immediately credit, secure or pay to Honeywell all out-of-pocket expenses incurred in connection with acquiring such goods & services from such other Subcontractors immediately upon receipt by Subcontractor of a certificate from Honeywell itemizing such additional expenses, together with documentation reasonably justifying such additional expenses. Notwithstanding any provision to the contrary, the remedies set forth in this sub-

clause shall be in addition to any other remedies available to Honeywell under the Purchase Order/Contract, at law or in equity.

## **28. AUDIT AND RECORDS**

- A. Records. Subcontractor will retain and preserve all records and materials, including invoice records, pertaining to this Agreement, for a period of ten (10) years after the final delivery, expiration or termination of this Agreement, or for the period prescribed by applicable law, whichever period is longer. Thereafter, Subcontractor will not destroy or dispose of or allow the destruction or disposition of such records and materials without first offering in writing, to deliver such records and materials or copies thereof to Honeywell at Honeywell's expense. If Honeywell fails to request such records and materials within 90 days after receipt of the written offer, Subcontractor may destroy or dispose of such records and materials. Subcontractor will require each of its sub-tier suppliers to do likewise with respect to their records and materials.
- B. Audit. At any time during the term of this Agreement and for ten (10) years following the expiration or termination of this Agreement, or for the period prescribed by applicable law, whichever period is longer, Honeywell (or its duly authorized agents) may, upon prior written notice to Subcontractor, audit Subcontractor's books and records to verify Subcontractor's compliance with its obligations under this Agreement. With regard to any information provided by Subcontractor that is not otherwise publicly available or owned or licensed by Honeywell, Honeywell will use such information only for purposes of determining Subcontractor's compliance with this Agreement. Subcontractor will provide and will require each of its sub-tier suppliers to provide, Honeywell access to Subcontractor's and Subcontractor's sub-tier supplier's books, other pertinent records, and any other information as requested by Honeywell's auditors at no cost to Honeywell during normal working hours. During the audit, if any invoice submitted by Subcontractor is found to be in error, an appropriate adjustment will be made to the invoice or the next succeeding or new invoice following the discovery of the error and the resulting payment or credit will be issued promptly. Subcontractor will promptly correct any deficiencies discovered as a result of the audit.

At Honeywell's request, Subcontractor will provide Honeywell's auditors or designated independent credit rating firm with financial statements (including, but not limited to, balance sheet, profit loss statement, etc.; quarterly/annual), along with a certificate of an Officer

of Subcontractor responsible for the preparation of such financial statements, attesting to the accuracy and completeness of such financial statements, and certifying that Subcontractor is in good financial condition and is not in default with respect to any obligations, including, without limitation, to its lenders and suppliers.

## **29. TESTING AND ACCEPTANCE**

The subcontractor shall submit the Quality Assurance Plan (QAP) / Testing Plan as per the requirement of Honeywell or its customer within the agreed time schedule which shall be reviewed and approved by Honeywell. Once QAP / Test Plan is approved, Subcontractor shall follow the same for strict adherence of quality check points. Honeywell reserves the right to inspect any machinery and/or material to ensure that approved QAP is being strictly implemented by the Subcontractor or his vendor, and to reject any item if found to be defective. If workmanship or design is found to be unsuitable for the intended use and purpose or which is not in accordance with the requirement of Prime Contract/PO/ SOW, the Subcontractor should, on demand by Honeywell, rectify or replace such defective or unsuitable equipment, or in case the Subcontractor doesn't take action within 21 days or such shorter time prescribed by Honeywell or its customer, Honeywell may, at the Subcontractor's expense, rectify or replace such defective or unsuitable equipment, whether before or after supply. The Subcontractor shall inform to Honeywell about the place of manufacture, testing and inspection of various equipment supplied by him. Unless specifically provided otherwise, all tests shall be carried out at the Subcontractor's site/premises or for brought out items at vendor's site/premises before dispatch.

The Subcontractor shall advise Honeywell at least 4 weeks in advance as to when the equipment will be ready for stage/final inspection at the Subcontractor's site/premises or at his Sub vendors work site/premises. Honeywell or its customers and their duly authorized representative, shall have at all reasonable times, access to the Subcontractor's premises, and shall have the power at all reasonable times to inspect and examine the materials and workmanship of the equipment during its manufacture there, and if part of the plant is being manufactured on the other premises, the Subcontractor shall obtain for Honeywell's permission to inspect it as if the plant was being manufactured on the Subcontractor's own permission. Honeywell shall, on giving seven days, notice in writing to the Subcontractor setting out any grounds of objection which they may have in respect of the work, be at liberty to reject all or any plant or workmanship connected with such work, by justifying the reason for rejection. The Subcontractor shall, if

required, give Honeywell notice if any material being ready for testing, and Honeywell or its customers and authorized representative, if so desired, shall on giving seven days, previous notice in writing to the Subcontractor, attend such testing at the Subcontractor's premises.

In all cases where the PO/ SOW/ / Prime Contract provides for tests except for type / certification test, whether at the premises of the Subcontractor or of any vendor, the Subcontractor, except whether otherwise specified, shall provide, free of charge, such labor, materials, electricity, fuel, water, stores, apparatus, and instruments as may reasonably be demanded to carry out efficiently such tests of the equipment in accordance with the contract and shall give the facilities to Honeywell to accomplish such testing. When the tests have been satisfactorily completed at the Subcontractor's site/premises, Honeywell may issue a certificate or a written confirmation to that effect within ten days if required. Field tests shall be carried out as per specifications contained in Prime Contract/ PO/SOW.

Whenever possible all tests shall be carried out before shipment, however, it is necessary for the final tests as to performance and guarantees to be held over until the plant is erected at site; they shall be carried out in the presence of the Subcontractor's representative within one month from the date of erection. If the result of these tests shall not come within the margin specified, the tests shall if required, be repeated within one month from the date of when plant is ready for re-test and the Subcontractor shall repay Honeywell all reasonable expenses to which he may be put by such tests or it will be adjusted from the final payment due to Honeywell under this PO or any other Agreement. Any delay due to rejection of product due to non-conformity of the specification /QAP will be solely to Subcontractor's account.

The Subcontractor is deemed to be completely aware of all the background of the project and the site conditions and Honeywell will not be responsible for any misunderstanding or miscommunication and the Subcontractor will in no case be entitled to any additional payments or extension of time beyond his entitlement under this Purchase Order. The Subcontractor acknowledges that related work shall be performed, and that Subcontractor works shall be fully coordinated with the related works in view of their concurrent and sequential nature and that such coordination is of the utmost importance to the successful integration of the Subcontractor works with the related work and to the timely completion of the project and/or the Works. In case there is any delay in making the site or any portion of it available to Subcontractor, Subcontractor shall not

be entitled to make any claim or demand for costs, compensations, damages etc. for such reason/delay.

### **30. EARLY TERMINATION**

- A. Honeywell may terminate this Agreement without cause prior to completion. If it does so, Honeywell's sole liability to Subcontractor will be limited to Subcontractor's out-of-pocket costs for labor and material for the actual work performed by Subcontractor to the date of termination, which must be supported by reasonable and sufficient backup data (invoices and payroll records) substantiating Subcontractor's right to payment, plus reasonable and agreed upon (by Honeywell) overhead and profit to the date of termination. Under no circumstances will Subcontractor be entitled to recover lost profit or any damages from Honeywell as a result of the early termination.
- B. Honeywell may terminate this Agreement, if the Prime Contract is terminated (or the work under the Prime Contract, or such portion of such work as the Works relate to, is taken out of Honeywell's hands), Honeywell may terminate this Agreement by notice in writing to the Subcontractor and:
  1. where the Prime Contract is terminated (or the work under the Prime Contract is taken out of Honeywell's hands) due to or in connection with a breach of this Agreement by the Subcontractor, the Parties' rights and liabilities will be the same as they would have been under the law governing this Agreement if the Subcontractor had repudiated the Agreement and Honeywell elected to treat the Agreement as at an end and recover damages; and
  2. in any other circumstances, Honeywell must pay to the Subcontractor the value of work performed by the Subcontractor and incorporated into the Works/ services to the date of termination upon receipt of corresponding payment from Honeywell's customer for Subcontractor's portion of work completed until date of termination and, subject to any amount that Honeywell may be entitled to deduct or set off.
- C. Insolvency Event or Direction by Customer under The Prime Contract. If an Insolvency Event occurs with respect to the Subcontractor, or if Honeywell is directed by the Customer under the Prime Contract to remove the Subcontractor from the Site as a result of some act or omission of the Subcontractor, Honeywell may by written notice to the Subcontractor:
  1. terminate the Subcontractor or

2. take over the whole or any part of the Works as may be specified by Honeywell, irrespective of the state of completion of the Works.
- D. **Costs of Completion.** If Honeywell takes over part the whole or part of the Works or terminates the Subcontract, Honeywell will, upon completing the Works, assess the costs incurred by it in completing the Works and notify the Subcontractor in writing of such costs. If such costs are greater than the amount which would otherwise have been payable to the Subcontractor if the Works had been completed by the Subcontractor, the difference will be a debt due and payable by the Subcontractor to Honeywell. If such cost is less than the amount which would otherwise have been payable to the Subcontractor if the Works had been completed by the Subcontractor, the difference will be payable by Honeywell to the Subcontractor.

Honeywell may recover from the Subcontractor liquidated damages for delay in completion arising from the termination under this Section provided that such damages will exclude any period in which the Subcontractor would have been entitled to an Extension of Time if it had completed the Works itself or the period of any delay caused by the failure of Honeywell.

Additionally, Honeywell will be entitled to recover from the Subcontractor the costs of rectification of defects (if any) and any other loss or expense incurred arising from the termination of the Subcontractor due to its failure to rectify default, insolvency, or at the direction of the Customer.

Honeywell may, at any time prior to completion of the whole of the Works, issue to the Subcontractor a written notice which sets out a provisional assessment of the amount of costs incurred, or to be incurred, by Honeywell in completing the Works. Any costs so notified will be payable by the Subcontractor within seven (7) days after the date of the notice and any amount so paid by the Subcontractor will be taken in partial satisfaction of any indebtedness of the Subcontractor for any amount it ultimately owes.

Honeywell will not be liable to make any further payments to the Subcontractor until such time when the costs incurred by Honeywell in completing the Works, rectification costs for remedying any defects liquidated damages for delay and all other costs incurred by Honeywell as a result of the termination has been ascertained.

### **31. ASSIGNMENT OF RIGHTS**

If Honeywell terminates this Agreement, the Subcontractor must, at Honeywell's request, assign to Honeywell its rights under any Agreement for the performance of work or supply of materials to which the Subcontractor is a party in relation to the Project and the Subcontractor hereby irrevocably appoints Honeywell as its lawful attorney with full power and authority to effect such assignment on behalf of the Subcontractor.

### **32. VARIATIONS**

- A. **Directing Variations.** The Subcontractor must not vary the Works without a prior written direction from Honeywell's Representative.

Honeywell may, at any time, through its authorized Honeywell procurement representatives, direct the Subcontractor to carry out a Variation and the Subcontractor must comply with that direction within the time specified by Honeywell. Directions given by Honeywell under this Section must clearly state on their face that they are a "Variation" direction.

The Subcontractor agrees that the requirements given in drawings, specifications of the Prime Contract and/or Purchase Order/ SOW are minimum requirements and are in no way exhaustive and guaranteed by Honeywell. It shall be the responsibility of the Subcontractor to meet all the requirements of design criteria contained in the Prime Contract and/or Purchase Order/ SOW and any upward revisions and/or additions of quantities, specifications, sizes given in specifications and drawings etc. required to be made during execution of the works shall not constitute a change order and shall be carried out without a change order and shall be carried out without any time and cost effect to Honeywell.

If the Subcontractor considers that any direction given by Honeywell, although not on its face clearly constituting a Variation direction, in fact involves a Variation, the Subcontractor must comply with that direction within the time specified by Honeywell (and if no time specified, then comply immediately) and must also issue a written notice to Honeywell within the period stated in the Subcontract Particulars stating:

1. the details of the direction.
2. in what respect it considers the direction to involve a Variation; and
3. where practicable, an estimate of the price and time impact (if any) of the Variation.
4. the Subcontractor will have No Claim in respect of a direction referred to in the above paragraph of this Section unless the

Subcontractor gives a notice in accordance with that paragraph.

5. No Variation will invalidate this Subcontract and the Subcontractor acknowledges that a Variation may involve the omission of any part of the Works and Honeywell may engage others to perform that part of the Works which have been omitted (and the Subcontractor agrees that this will not, in any circumstances whatsoever, constitute grounds for the Subcontractor to allege that Honeywell has repudiated this Subcontract) or to make a claim for alleged loss of profit or business opportunity for the omitted part of the Works).

B. Cost of Variations. Within 10 days of the receipt of a written Variation direction from Honeywell, the Subcontractor must provide Honeywell with a price quotation for the Variation in writing, supported by measurements or other evidence of costs.

Honeywell will value each Variation in accordance with any agreement reached between Honeywell and the Subcontractor or, where no agreement has been reached, in accordance with reasonable rates or prices (which will include a reasonable amount for profit and overheads). Any deductions will include a reasonable amount for overheads and may include a reasonable amount for profit. The relevant price will be added to or deducted from the Subcontract Sum.

The Subcontractor agrees that the amount payable to the Subcontractor for a Variation will in no case exceed the amount payable to Honeywell under the Prime Contract in relation to that Variation, less the sum of:

1. the percentage mark-up applied on the Subcontractor's price by Honeywell; and
2. Honeywell's direct costs, as submitted under the Prime Contract in relation to that Variation.

C. Any upward revisions and/or additions consequent to errors, omissions, ambiguities, discrepancies in the specification and drawings etc. which the Subcontractor had not brought out to Honeywell's notice shall not constitute a change order and such upwards revisions and/or addition shall be carried out by Sub-contractor without any time and cost effect to Honeywell.

### **33. VARIATION OF QUANTITIES**

The written advice to this effect shall, if so required, be issued by Honeywell 2 weeks prior to the due date of supply of such equipment and/or material to the Subcontractor as may be

specified in the SOW/ PO or any other document to be agreed or as mutually agreed between the parties. In case of increase in quantity, the Subcontractor agrees to carry out such additional quantity of work at the rate and terms and conditions as agreed with Honeywell provided in this Agreement except for the appropriate extension of time to be allowed for obtaining delivery of such extra equipment. In case of decrease in quantities, Honeywell shall have the right to proportionately reduce price at the rate agreed with Honeywell given in the PO or any other document corresponding to decrease of quantity. In case applicable unit rates for the increase/decrease in material/equipment are not available in the PO/ SOW then such variation in quantities shall constitute a change order and the rates as may be mutually agreed shall apply. The subcontractor shall not be entitled to any claim by way of change of price, damages, losses, etc. The subcontractor agrees that unit rates and prices of Purchase Order shall be applicable until completion certificate is issued by Honeywell and no escalation of prices shall be provided by Honeywell irrespective of delays in execution or extension of time needed for completion of Works. Notwithstanding any disagreement between the Parties regarding the impact of a change, Subcontractor will proceed diligently with its performance under this Agreement pending resolution of the disagreement.

### **34. CONDITIONS FOR EXTRA WORK/ CHANGE ORDER**

The provisions of the Prime Contract and/or Purchase Order/ SOW shall apply to extra work performed as if the Extra Work/Change Order has been included in the original Scope of Work. However, any increase in Contract price and adjustments on account of the Extra Work/Change Orders can only be arrived through mutual agreement between parties in writing. The Subcontractor's obligations with respect to Extra Work/ Change Order shall remain in accordance with the PO/ SOW/Contract agreed with Honeywell.

### **35. STOP WORK**

At any time by written notice and at no cost, Honeywell may require Subcontractor to stop all or any part of the work under this Agreement or any Purchase Order or any Statement of Work issued pursuant to it, for up to 120 days ("Stop Work Order"), and for any further period as Subcontractor and Honeywell may agree. Immediately upon receipt of the Stop Work Order, the Subcontractor will comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work stoppage. During the Stop Work Order period, the Subcontractor will protect, store and secure such goods, materials, components or the works as well as any tools used for Deliverables production against any deterioration, loss or damage. Immediately upon receipt of a Stop Work Order, the Subcontractor will comply with its terms. At any time during the Stop Work Order period, Honeywell may, in whole or in part, either cancel the Stop Work Order or terminate this Agreement or any Purchase Order or any Statement of Work

issued pursuant to it, upon written notice with no liability except for any Services and Deliverables delivered and accepted by Honeywell prior to the effective date of termination. To the extent the Stop Work Order is canceled or expires, Subcontractor must immediately resume work.

### **36. SETOFF AND RECOUPMENT**

Honeywell has the right to deduct any amount it determines is owing from Subcontractor to Honeywell as a setoff against any amount owing from Honeywell to Subcontractor and/or to exercise the right of recoupment, to the full extent permitted by applicable law. Nothing in this provision precludes Subcontractor or Honeywell from utilizing the dispute resolution procedures identified elsewhere in this Agreement.

### **37. CONFIDENTIAL INFORMATION**

- A. All information, including without limitation specifications, samples, drawings, materials, know-how, designs, processes, and other technical, business, or financial information, that:
  - 1. has been or will be supplied to Subcontractor by or on behalf of Honeywell; or
  - 2. Subcontractor will design, develop, or create in connection with this Agreement; as to individual items or a combination of components or both, and whether or not completed, and all derivatives of (1) and (2) that Subcontractor 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.

- B. Honeywell's Confidential Information will remain the property of Honeywell. It may not be used by Subcontractor for any purpose other than for performing this Agreement, 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 this Agreement. If, with Honeywell's prior written approval, Subcontractor furnishes Confidential Information to a sub-tier supplier, Subcontractor will bind the sub-tier supplier to confidentiality requirements substantially identical to this provision and Subcontractor 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 Subcontractor to any third person of the fact of Honeywell's purchase of Subcontract Work under this Agreement, the terms of this Agreement, the substance of any discussions or negotiations concerning this Agreement, or either

Party's performance under this Agreement. This Section survives the termination or cancellation of this Agreement.

- C. The subcontractor agrees to and shall comply with Honeywell's Data Privacy Obligations for Suppliers published at <https://www.honeywell.com/en-us/company/integrity-and-compliance> and herein, the terms of which are incorporated into this Agreement by reference.
- D. Without limiting any other rights Honeywell might have under this Agreement, Subcontractor grants Honeywell and its subsidiaries and affiliates access to and a perpetual, irrevocable, non-exclusive, worldwide, fully paid up right to retain, transfer, duplicate, analyze, modify, prepare derivative works and otherwise use for any purpose all data inputted, uploaded or transferred in relation to, or which is collected by, the Goods and any related products or services ("Goods Data"). Goods Data is Honeywell Confidential Information. This Section survives termination of this Agreement.

### **38. PEOPLE'S REPUBLIC OF CHINA STATE SECRET**

If Subcontractor is organized under the laws of the People's Republic of China, Subcontractor hereby represents and warrants to Honeywell that (i) it has not disclosed, and will not disclose to Honeywell in any manner any information that would be considered a state secret of the PRC ("PRC State Secret") unless authorized to do so in accordance with the PRC laws and regulations; (ii) if Subcontractor is duly authorized to disclose any PRC State Secret, prior to its disclosure, it will obtain Honeywell's written consent and complete all the requisite government approval and identification processes; (iii) if any information that Subcontractor has disclosed to Honeywell is later determined as a PRC State Secret, it will notify Honeywell in writing immediately, advise and assist Honeywell in taking all the necessary measures to ensure the appropriate protection or disposal thereof in full compliance with the PRC laws and regulations; and (iv) Subcontractor will indemnify Honeywell for any damages resulting from its disclosure of any PRC State Secret to Honeywell in violation of the PRC laws or regulations or this Agreement. Honeywell hereby disclaims any intent to receive, accept, access or use any PRC State Secret.

### **39. ASSIGNMENT**

This Agreement will be binding on Subcontractor and its respective permitted successors and assigns. Subcontractor will not assign this Agreement or any rights or obligations under this Agreement or subcontract all or any aspect of the work called for without the prior written approval of Honeywell. Any transfer of this Agreement by Subcontractor by merger, consolidation, dissolution, or any change in ownership or

power to vote a controlling share of the voting stock in Subcontractor will constitute an assignment for the purposes of this Agreement. Any assignment or subcontract without Honeywell's written approval will be voidable at the option of Honeywell. Honeywell may assign this Agreement or any of its rights or obligations under this Agreement to any of its subsidiaries or affiliates, or to any purchaser or successor to all or substantially all of the assets of the Honeywell product line or business to which this Agreement relates without Subcontractor's consent and upon written notice to Subcontractor.

#### **40. RELATIONSHIP OF PARTIES**

Nothing in this Agreement will be construed to place Subcontractor 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. Nothing contained in this Agreement 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 Subcontractor will perform its obligations under this Agreement as an independent contractor. Subcontractor will be solely responsible to exercise full control of, supervision over and responsibility for Subcontractor's personnel, its subcontractors, or its agents, and any employee of any of the foregoing, including the employment, direction, compensation and discharge of Subcontractor's personnel, its subcontractors or its agents and any employee of any of the foregoing 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.

#### **41. SMALL BUSINESS OBLIGATIONS**

Honeywell has committed, in connection with certain of its contracts with the U. S. Government, to award subcontract work to small business concerns. As part of this commitment, Honeywell has agreed to include FAR 52.219-8 in its subcontracts that offer further subcontracting opportunities. Accordingly, to satisfy this obligation, Honeywell requires subcontractors to comply with FAR 52.219-8 if the subcontract offers further subcontracting opportunities. For ease of reference FAR 52.219-8 (Utilization of Small Business Concerns) is set forth as follows:

<https://www.acquisition.gov/far/52.219-8>.

#### **42. GOVERNMENT WARRANTIES**

- A. Subcontractor hereby certifies, for itself and all of its lower-tier subcontractors that as of the date of the execution of this Agreement, the Subcontractor, nor any lower-tier subcontractors, nor any suppliers are under suspension or debarment by any governmental entity, instrumentality or authority.

- B. Subcontractor's obligations pursuant to this provision are ongoing from and after the effective date of this Agreement through the termination date. Accordingly, the Subcontractor will have an obligation to inform Honeywell if, at any time during the term of this Agreement, it or any of its lower-tier subcontractors are suspended or debarred by any governmental entity, instrumentality or authority. Notification will be made within fifteen (15) days of the date of suspension or disbarment.
- C. The failure of the Subcontractor to notify Honeywell of any suspension or debarment by any governmental entity, instrumentality or authority will constitute an event of default of this Agreement with Honeywell.

#### **43. DISPUTE RESOLUTION**

- A. Except as otherwise set forth below, any dispute arising out of or relating to this Agreement will be finally resolved by a sole arbitrator in accordance with the Center for Public Resources Institute for Dispute Resolution Rules for Non-Administered Arbitration then currently in effect. 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 at a location specified by Honeywell.
- B. Either Party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, 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. Any dispute involving intellectual property rights will be adjudicated before a court of competent jurisdiction and this Section will not be binding on either Party with respect to the dispute in its entirety or any related dispute, including any portions of the dispute that do not concern intellectual property rights.
- C. Subcontractor agrees, at Honeywell's sole discretion, to join and to participate in any dispute resolution process required by Honeywell's contract with the customer if any dispute relates to Subcontractor's work. In the event that the Subcontractor makes a claim for additional compensation or any other relief that, in Honeywell's sole judgment, arises out of acts or conditions for which Honeywell's customer may be responsible, Subcontractor will participate in the dispute resolution process with the Honeywell customer and agrees to be bound by the results.

D. Notwithstanding anything to the contrary in this Agreement, where a dispute under the Notice of Dispute Section concerns any right, obligation, relief, benefit or entitlement under the Prime Contract, Honeywell may give written notice to the Subcontractor, requiring:

1. the dispute to be determined in conjunction with any related dispute under the Prime Contract ("Prime Contract Dispute") and in accordance with the dispute resolution procedures under the Prime Contract.
2. the dispute and the Prime Contract Dispute to be considered at the same time, or immediately before or after the other; or
3. any proceedings in relation to the dispute to be stayed until the determination of the Prime Contract Dispute.

#### **44. APPLICABLE LAW**

This Agreement will be governed by the laws of the state or country (if not in the United States) where the subcontract work is performed, unless otherwise specified on the face of the purchase order.

#### **45. COMPLIANCE WITH LAWS AND INTEGRITY**

Subcontractor will comply with all laws, orders, rules, regulations and ordinances and Honeywell's Supplier Code of Business Conduct ("Code") in performing this Agreement. A copy of the Code may be obtained at <https://www.honeywell.com/who-we-are/integrity-and-compliance>. Subcontractor agrees to abide by the Code and maintain an integrity and compliance program that encompasses at a minimum the standards of business conduct set forth in the Code and that effectively prevents and corrects ethical violations and maintains compliance with laws. Subcontractor and its employees, agents, representatives and subcontractors have not made or received, and will not make or receive, directly or indirectly, any payments, loans, gifts, favors or other special consideration or form of compensation (a) to or from Honeywell, to its employees, agents or representatives, other than payments set forth in this Agreement or other written contractual agreement between Subcontractor and Honeywell; or (b) to or from any third party for the purpose of influencing the performance by Subcontractor or Honeywell of its respective duties hereunder. Subcontractor warrants it has and will comply with the U.S. Foreign Corrupt Practices Act, UK Bribery Act, and similar anti-bribery legislation or requirements. A breach of this provision will be deemed a material breach of this Agreement and grounds for termination of this Agreement.

Subcontractor will indemnify and hold harmless Honeywell from and against any and all loss, cost, expense (including reasonable attorney and professional fees), claims, damage, or liability arising out of or resulting from or occurring in connection with Subcontractor's breach of this Section.

Subcontractor acknowledges that in the event of Subcontractor's breach of its obligations, warranties and representations under this Section, Honeywell may suffer damage to its reputation and loss of business which is incapable of accurate estimation.

#### **46. SEVERABILITY**

If any part of this Agreement is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the Parties agree that the court will construe the provision in a manner that renders the provision valid and enforceable to the fullest extent possible under the law of the applicable jurisdiction and that the remaining provisions will remain in full force and effect.

#### **47. US EQUAL EMPLOYMENT OPPORTUNITY REGULATIONS**

To the extent employment activities of Subcontractor occur in the United States and if otherwise applicable this Subcontractor and any subcontractors shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

#### **48. CONFLICT MINERALS COMPLIANCE**

Subcontractor will comply with applicable "Conflict Minerals" laws relating to the sourcing of products containing tin, tungsten, tantalum or gold ("3TG") originating from Conflict Affected and High-Risk Areas ("CAHRAs") including the Democratic Republic of the Congo and adjoining countries. Subcontractor will have in place a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into Goods it provides to Honeywell; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from CAHRAs directly or indirectly finance the conflict in the CAHRAs, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Upon request, Subcontractor will

provide Honeywell disclosures regarding the use of Conflict Minerals in any Goods provided by Subcontractor to Honeywell, in the form reasonably requested by Honeywell, and will provide such additional related information and documentation as Honeywell may reasonably request to evidence Subcontractor's compliance with this Section. The subcontractor will take all other measures as are necessary to comply with Conflict Minerals regulations, as they may be amended over time.

#### **49. Backward Compatibility and Integration**

Subcontractor warrants that (i) each revision level shall be backwards compatible, and (ii) all point releases and other bug-fixes shall be backwards compatible with supplied version of the software. In the event that any items supplied by the Subcontractor at any time do not provide backwards compatibility, then the Subcontractor shall provide, without charge to Honeywell, any and all necessary upgrades and enhancements (and otherwise take such steps as may be necessary) to achieve backwards compatibility. For the purpose herein, "revision level" shall mean each version of supplied material that reflects any modification or change from the immediately preceding version of such items of supplied material.

**Interoperability and Integration:** Subcontractor shall ensure that the supplied material shall be fully interoperable with network as set forth in the PO/ SOW/ Prime Contract\|. The subcontractor shall be fully responsible for integrating the goods into end customer/user network. Subcontractor shall also reasonably co-operate with third party providers as directed by Honeywell to the extent necessary for the implementation of end user's network subject to suitable confidentiality Purchase Orders with such third-party providers.

#### **50. Back Charges**

In the event any or all item or items furnished by Subcontractor under the PO/SOW are found to be defective as to workmanship or materials or goods or not to be in conformance with plans or technical specifications, it remains the responsibility of Subcontractor to promptly correct any defects when so directed. Honeywell will take reasonable measures to discover such non-compliance as quickly as practicable; however, failure to do so shall in no way relieve the Subcontractor of its responsibility during the term of the Purchase Order and the warranty period, to promptly make such rectification works as are required.

If upon being notified by Honeywell of any non-compliance or deficient work or materials or goods, and having been directed to correct the non-compliance or deficient work or materials or goods by a specific date consistent with the Purchase Order requirements, Subcontractor states or by its actions indicates its inability or unwillingness to comply, then Honeywell shall

proceed to accomplish the work by the most expeditious means available to it and back charge Subcontractor for the cost of the required work ("Back Charges").

The cost of such Back Charge work shall be computed as follows:

- A. Labour shall be charged at actual cost-plus payroll additives.
- B. Material shall be charged at net delivered cost.
- C. Equipment and tool rentals shall be charged at rates paid by Honeywell.
- D. 30% shall be added to items a and b for Honeywell costs, overhead, supervision and administration.

Honeywell will invoice Subcontractor for actual costs incurred, computed as shown above, or withhold such sum from funds still due to Subcontractor.

#### **51. UNAUTHORIZED PARTS**

**"Contaminated Good"** is a Good that is or contains an Unauthorized Part.

**"Unauthorized Parts"** refers to any part, including software or firmware, whether or not embedded, that has been: (a) represented, identified, or marked as genuine, whether or not knowingly, but is an illegitimate (i) imitation, (ii) substitute, or (iii) copy; (b) knowingly misrepresented as new or compliant with specifications, including without limitation, of a grade, serial number, lot, date code, or meeting performance characteristics that it does not; (c) without Honeywell's prior written approval, returned from another customer, used, refurbished, or reclaimed; or (d) suspected of being any of the foregoing by visual inspection, testing, or other information.

- A. Upon Honeywell discovering that Subcontractor has delivered to Honeywell a Contaminated Good, Honeywell will impound such Contaminated Good and provide notice to Subcontractor of such action. Subcontractor will promptly notify Honeywell upon Subcontractor discovering that Subcontractor has, or suspects that it may have, delivered to Honeywell a Good that is or contains a Contaminated Good. The subcontractor will immediately impound Contaminated Goods in its possession.

Promptly upon the occurrence of either of the two events mentioned above, Subcontractor will, at Subcontractor's sole cost and expense, replace such Contaminated Good with a Good that meets applicable specifications and is not a Contaminated Good.

- B. Subcontractor will defend and indemnify Honeywell from all loss, cost, expense, damage, claim, demand, or liability relating to Subcontractor's delivery of

Contaminated Goods, including without limitation Honeywell's external and internal costs of removing and replacing Unauthorized Parts or Contaminated Goods, of reinserting replacement parts, and of any testing necessitated by the reinstallation of Subcontractor's Goods after Unauthorized Parts have been exchanged.

C. Honeywell may at its election and in addition to any other rights or remedies it may have under this Agreement, at law, or in equity, have the Contaminated Goods repaired, replaced, or corrected at Subcontractor's expense, or sourced from an alternate source at Subcontractor's expense if Subcontractor does not repair, replace, or correct Contaminated Goods promptly. Subcontractor is responsible for all related costs, expenses, penalties, and damages, including without limitation: the costs of repairing, replacing, or correcting Contaminated Goods; the costs of removal, disassembly, failure analysis, fault isolation, overhaul, upgrade, reinstallation, re-inspection, and retrofit of the Contaminated Goods or of Honeywell's affected end-product; all freight charges; all customer charges; labor costs, including engineering costs, travel and lodging; and all corrective action costs (e.g. costs of additional inspection or quality-control systems). Unless set off by Honeywell, Subcontractor will reimburse Honeywell for all such costs upon receipt of Honeywell's invoice.

D. When requested by Honeywell, Subcontractor will provide documentation that authenticates traceability to the authorized source of the applicable manufacturers utilized by Subcontractor for all parts provided under this Agreement. Subcontractor will immediately notify Honeywell of any changes in Subcontractor's sources of supply for Goods awarded on this Agreement when the sources are other than an authorized source, including but not limited to any changes to Subcontractor's authorized franchised distributor status or other changes from authorized sources to unauthorized sources. Subcontractor's failure to provide notice is a material breach of this Agreement. In the event of such breach, Honeywell may at its sole option terminate this Agreement or any Purchase Order and elect an alternate supplier at Subcontractor's expense and in accordance with the Termination provision herein.

## 52. IMPORT AND EXPORT COMPLIANCE

A. Import. In the event government authorities declare or otherwise impose countervailing duties, antidumping duties, or retaliatory duties on the goods imported under this Agreement Honeywell reserves the right to terminate this Agreement in accordance with the Termination provisions.

B. Export. Subcontractor will comply with all export laws and regulations of all countries involved in transactions associated with this Agreement.

If the receiving Party receives hardware, technical information, manufacturing drawings, specifications, software or similar type items from the disclosing Party, it is the responsibility of the receiving Party to ensure compliance with all U.S. export laws and regulations, as well as all applicable local export laws and regulations if the receiving Party is located outside the U.S., in the performance under this Agreement. These laws include, but are not limited to, (a) Section 38 of the Arms Export Control Act as enumerated in 22 CFR Parts 120-130, the International Traffic in Arms Regulations ("ITAR"), and (b) Exports Controls Act of 2018, as amended in 15 CFR Parts 730-774 of the Export Administration Regulations ("EAR"), and all applicable local export laws and regulations if the receiving Party is located outside the U.S.

No hardware, technical information, manufacturing drawings, specifications, software or similar type items whose export is controlled by the U.S. Department of State or the U.S. Department of Commerce will be transferred, disclosed or exported to "**Foreign Persons**," as defined in the above-stated laws and regulations, without specifically obtaining approvals from the U.S. Department of State's Office of Defense Trade Controls or from the U.S. Department of Commerce's Bureau of Industry and Security, as required.

If the receiving Party intends to transfer, disclose or export any of the disclosing Party technical information, manufacturing drawings, specifications, software or similar type items to any Foreign Persons, prior written authorization of the disclosing Party must be obtained prior to the receiving Party obtaining U.S. Government licenses or other approvals as stated above. The receiving Party agrees to abide by all limitations and provisos and/or riders and conditions listed on any licenses or other approvals issued by the U.S. Department of State or the U.S. Department of Commerce.

## 53. NON-MILITARY END USER AND END USE CERTIFICATION

In order to satisfy U.S. export control laws, Subcontractor confirms that it is not an entity that meets the definition of a military end user in China (including, Hong Kong and Macau), Russia, Belarus, Myanmar/Burma, Venezuela, or Cambodia ("**Military End User**") or sells items that support or contribute to a Military End Use by a Military End User. Military End User includes any entity that is part of the national armed services (army, navy, marine, air force, or coast guard), as well as the national guard and national police, government intelligence or reconnaissance organizations, or any person or entity whose actions or functions are intended to support "military end uses." "**Military End Uses**" includes use of an item to support

or contribute to the operation, installation, maintenance, repair, overhaul, refurbishing, development, or production of military items. In addition, if and as applicable, Subcontractor will not divert or in any way utilize or sell products, materials, or technology/technical information/specifications supplied by or on behalf of Honeywell to Subcontractor under or in connection with this Agreement to/for any entity which is a Military End User or for Military End Uses by a Military End User. Should the foregoing occur, Subcontractor will immediately notify Honeywell and cease all activities associated with the transaction in question if it knows or has a reasonable suspicion that such products, materials, technical information, plans, or specifications may be exported, reexported, or transferred to a Military End User or in support of a Military End Use by a Military End User. Subcontractor's failure to comply with this provision will be deemed a material breach of this Agreement. Notwithstanding anything to the contrary in this Agreement, Honeywell may take any and all actions required to ensure full compliance with applicable export control laws without Honeywell incurring any liability.

#### **54. GENERAL SANCTIONS CLAUSE**

Subcontractor represents, warrants, and agrees that: Subcontractor 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, People's Republic of Donetsk, and People's Republic of Luhansk 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 Agreement, Subcontractor 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"). The subcontractor will not involve any Sanctioned Persons in any capacity, directly or indirectly, in any part of this Agreement and performance under this Agreement. Subcontractor will not take any action that would cause Honeywell to be in violation of Sanctions Laws.

Subcontractors 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. Subcontractor 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.

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

#### **55. LANGUAGE**

This Agreement is in English, which will be the controlling language in all respects. Any other language version is intended for reference only. In the event of any conflict or discrepancy between language versions, the English version will prevail. English will be used for all oral and written communications between the Parties, including deliverables required under this Agreement. Pursuant to the rights available under this Agreement, if Honeywell requires Subcontractor's internal documentation, and such internal documentation is not in English, Subcontractor will either translate such documents to English or will make professional translation services by a third-party approved by Honeywell available to Honeywell, both free of charge to Honeywell and at Honeywell's option.

[!DRAFTIN: Fill out form as applicable]

Date: \_\_\_\_\_

Project Name: \_\_\_\_\_ Project/Job Number: \_\_\_\_\_

I, \_\_\_\_\_ do hereby state:

(Name of Signatory Party) (Title)

1. I pay or supervise the payment of the persons employed by \_\_\_\_\_ on the above referenced project; that during the payroll period commencing on the \_\_\_\_\_ day of \_\_\_\_\_ and ending on the \_\_\_\_\_ day of \_\_\_\_\_, all persons employed on the project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of \_\_\_\_\_ from the full weekly wages earned by any person, and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended.
2. Any payrolls required to be submitted under this agreement for the above period are correct and complete; that the wage rates for laborers or mechanics are not less than the applicable wage rates contained in any wage determination incorporated into this agreement; that the classifications set forth for each laborer or mechanic conform with the work performed.
3. Any apprentices employed in the above work are duly registered in a bona fide apprenticeship program registered with a state apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no recognized agency exists in a state, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.
4. That:
  - A. Where fringe benefits are paid to approved plans, funds or programs – in addition to the basis hourly wage rates paid to laborer(s) or mechanic(s) listed in the above referenced payroll, payments of fringe benefits have been or will be made to appropriate programs for the benefit of the employees, except as noted in Section 4 C below.
  - B. Where fringe benefits are paid in cash – each laborer or mechanic listed in the above referenced payroll has been paid as indicated on the payroll an amount not less than the sum of the applicable hourly wage rate plus the amount of the required fringe benefits, except as noted in Section 4 C below.
  - C. Exceptions:

Exception (Craft)	Explanation

Initial: Subcontractor: \_\_\_\_\_ Honeywell: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name and Title)

\_\_\_\_\_  
(Signature)

The willful falsification of any of the above statements may subject the subcontractor to civil or criminal prosecution. See Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code



[!DRAFTIN: Fill out form as applicable]

Contractor: \_\_\_\_\_