

GENERAL TERMS AND CONDITIONS OF PURCHASE



This Order is subject to the following terms and conditions:

1. **ACCEPTANCE OF ORDER:** This purchase order (Order) is Buyer's agreement with Seller to purchase or license the Items listed in this Order. Items include tangible or intangible products, software, or services to be delivered or performed by Seller to satisfy Buyer's requirements. Acceptance is strictly limited to the terms. Buyer shall not be bound by and specifically objects to any term or condition whatsoever that is different from or in addition to the terms and conditions of this Order, whether or not such term or condition will materially alter this Order. Seller's commencement of performance or acceptance of this Order in any manner shall conclusively evidence agreement to this Order as written and constitute a representation that Seller is obtaining Items and components of Items that it is selling to Buyer from the original manufacturer or the OEM's authorized distributor, as further discussed in Section 8.2 below.
2. **SHIPPING TERMS:** All Items shall be shipped on a Free Carrier, Seller's location ("freight collect") basis (Incoterms 2010), using a Buyer provided shipping account number if Buyer is to be responsible for transportation costs or charges). Such costs or charges shall not be billed to Buyer or included on Seller's invoice (even if prepaid by Seller) unless otherwise specified or agreed to by Buyer in writing. Buyer and Seller will comply with Buyer's Domestic and International Routing Guide and Shipping Instructions, incorporated into this Agreement by this reference and located in the Suppliers section at portal.rockwellcollins.com. Each case or parcel shall be accompanied by a packing list of contents and must show Buyer's Order number. If no packing list accompanies the shipment, Buyer's count will be conclusive on Seller. Items furnished in quantities other than as specified by Buyer on the Order are subject to Buyer's rejection and return at Seller's expense. Late deliveries are subject to Buyer's rejection and return for credit at Seller's expense.
3. **PACKAGING AND EXTRAS:** No charges will be allowed for transportation, packaging, packing, or returnable containers unless stated in this Order. Damage to any Items resulting from improper packaging will be charged to Seller.
4. **TECHNICAL REQUIREMENTS:** All Items ordered to specifications or other technical requirements shall comply with such requirements current as of the date of this Order unless otherwise agreed by Buyer in writing or via change order. Seller shall flow down applicable product specifications, descriptions and requirements to sub-tier suppliers including key characteristics required to ensure such compliance.
5. **PERFORMANCE REQUIREMENTS:**
 - 5.1 **Quality Requirements**
 - 5.1.1 **Quality Standards** - Seller shall comply with Buyer's Quality Requirements Document RC-9000, which can be found in the Suppliers section at portal.rockwellcollins.com, as applicable, incorporated into this Order by reference, as well as any other specifications, workmanship standards or instructions specified in this Order. When furnishing assemblies or subassemblies that have a parts list detailed or specified on Buyer's drawing, Seller shall obtain the approved supplier part on such list from the approved supplier identified in the Suppliers section at portal.rockwellcollins.com under the Part Changes tab. Seller shall only deliver Items containing components from manufacturers for which the part status is APVD (Approved), NSR (No Status Required meaning any manufacturer's parts may be furnished), COMP (First Article Inspection Complete), or REQD (First Article Inspection needs to be completed).
 - 5.1.2 **Quality Level** - Seller shall maintain a quality level of zero defects on all Items delivered to Buyer.
 - 5.1.3 **Quality Performance Effects** - The parties agree that Seller's quality performance is subject to monitoring and that failure to maintain the quality requirements above may result in Buyer, in its sole discretion, electing to pursue any or all of the following actions:
 - a. **Quality Corrective Action Plan:** Buyer shall request and Seller agrees to submit a written corrective action analysis and recovery plan for all Items that fail to meet the quality requirements defined above. The quality corrective action and recovery plan shall be submitted within ten (10) days of Buyer's request and shall include a containment plan and a complete corrective action and recovery plan including root cause analysis. Seller's management will present the quality corrective action and recovery plan to Buyer for approval.
 - b. **Quality Performance Improvement Plan:** Buyer shall request and Seller agrees to promptly prepare and submit a comprehensive quality performance improvement plan including a recovery plan when a Seller quality corrective action plan does not produce acceptable results. Seller's senior management will present the quality performance improvement plan to Buyer for approval.
 - 5.2 **Forecasts** - In the event Buyer has provided Seller any delivery forecast, such delivery forecast is being provided by Buyer without liability or obligation. Seller acknowledges and accepts that changes may occur in the delivery forecast, dates, and/or quantities listed therein and Seller releases Buyer from any and all costs, damages and claims resulting from such changes.
 - 5.3 **Item Obsolescence** - Seller shall promptly notify Buyer in writing after Seller identifies any Items or components of any Items as potentially becoming obsolete (Obsolete Item). Such notice shall be provided at least six (6) months prior to the anticipated obsolescence date. Twelve (12) months prior to ending its production of the Obsolete Item, Seller shall provide Buyer with a replacement Item for the Obsolete Item which has design parameters and specification documentation fully consistent with the Obsolete Item's then-current design parameters and requirements documents. Seller shall be liable for all qualification and certification expenses associated with transitioning to the replacement Item or components thereof. At Buyer's request, Seller shall also make a final production run of sufficient quantity of the Obsolete Item to satisfy Buyer's product life requirement.
 - 5.4 **On-Time Delivery and Completion**
 - 5.4.1 **On-time Delivery Level** - Seller shall maintain on-time delivery level of 100% on all Items. Delivery is considered to be on-time when shipments are received no more than ten (10) days ahead or one (1) day after the scheduled delivery date.
 - 5.4.2 **Schedule Acceleration/Deceleration** - Buyer may revise any delivery or completion schedule without cost or change to the unit price stated in this Order at any time by providing Seller with written or electronic notice of the revised schedule. Seller shall review and update Order status weekly, and must confirm delivery status including

pull in and push out requests and cancellations, under View/Manage Open Orders in the Orders tab for Seller's account in the Suppliers section at portal.rockwellcollins.com.

5.4.3 **Delivery Performance Effects** - Seller's on-time delivery performance is subject to monitoring and the parties agree that Seller's failure to maintain the on-time delivery performance level waives any Buyer obligation to fulfill any commitment under this Order.

a. **Delivery Corrective Action Plan:** In the event Buyer elects not to terminate this Order for failure to meet any scheduled delivery or completion date, Buyer and Seller will conduct quarterly reviews of Seller's delivery performance and implement a Seller delivery and completion corrective action analysis and recovery plan, to be submitted within ten (10) days of Buyer's request.

b. **Delivery Performance Improvement Plan:** Should Seller fail to meet the delivery corrective action analysis and recovery plan, Seller shall promptly prepare and submit a comprehensive delivery performance improvement plan including a recovery plan for all Items that fail to meet the delivery corrective action plan. Seller's senior management will present the delivery performance improvement plan to Buyer for approval.

5.4.4 **Force Majeure:** Neither party shall be liable for damages for delay in performance arising out of causes beyond its reasonable control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy, acts of any government authority, fires, floods, or unusually severe weather. If the delay is caused by the delay of a sub-tier supplier of Seller and if such delay arises out of causes beyond the reasonable control of both Seller and its sub-tier supplier, and without the fault or negligence of either of them, Seller shall not be liable to Buyer in damages unless the Items, components, or services to be furnished by the sub-tier supplier were obtainable from other sources in sufficient time to permit the Seller to meet the completion or delivery due dates. Seller will notify Buyer in writing within twenty-four (24) hours after the beginning of any such force majeure event and provide timely updates to Buyer until resolved.

5.5 **Remedies** - The parties agree that failure to meet the Performance Requirements in this Article 5 may render Seller as a non-preferred supplier, in the sole discretion of Buyer, which can be considered as cause for re-negotiation or termination of this Order. The following remedies are also available to Buyer:

5.5.1 Seller shall reimburse Buyer for all costs and expenses in connection with providing Seller and/or Seller's sub-tier suppliers' with technical, quality, or manufacturing assistance beyond that which Buyer would customarily provide to Seller or Seller's sub-tier suppliers on a day-to-day basis. This shall include but not be limited to, Buyer provided training and support requested by Seller or as provided by Buyer to assist in resolving Seller significant or recurring non-performance issues. Seller shall reimburse Buyer for any such assistance at the established Buyer internal wage rate, which shall include fringe benefits, multiplied by the estimated hours recorded by Buyer, plus the actual material costs associated with providing such assistance. In addition, Seller shall, at Buyer's request, pay for normal and customary expenses relating to salaries, living expenses, travel and any other reasonable expenses related to such assistance.

5.5.2 Buyer reserves the right to impose liquidated damages in the amount of one percent (1%) of the price of each delayed Item for each day of delay in delivery or completion, commencing on the day following the due date, up to a total of one hundred percent (100%) of the price of the delayed.

5.5.3 Notwithstanding the foregoing, Buyer reserves all its rights and remedies at law or in equity.

5.6 **Business Continuity** - Seller shall annually identify and review the risks that could significantly impact Seller's ability to meet its performance obligations under this Order and take reasonable loss prevention actions to reduce the frequency and/or severity of the impact of the risk. In addition, Seller shall develop and maintain actionable plans and strategies to limit any disruption of its performance obligations to a period not greater than two (2) weeks. Such plans and strategies shall include an annually updated business continuity plan in general conformance with either NFPA 1600 version 2013 or ISO 22301 version 2012 or any subsequent version or update. The business continuity plan shall identify the steps necessary to recover critical product/service-related functionality including, but not limited to, business activities, technologies, personnel and other resources. Seller shall allow a formal audit by Buyer of Seller's loss prevention and business continuity program. If Seller, in Buyer's reasonable judgment, fails to comply with the requirements stated above, Seller shall provide Buyer with a reasonable quantity of consignment inventory, based on forecasted demand and previous Order history, to ensure Buyer that Seller is able to meet its performance obligations under this Order. Seller shall notify Buyer within twenty-four (24) hours after any event that may cause a disruption in Seller's ability to timely meet its performance obligations. Seller shall provide a written recovery plan to Buyer within fourteen (14) days after such an event, defining how and when performance will resume to support this Order.

6. CHANGES:

6.1 Buyer may, without notice to sureties, in writing, direct changes within the general scope of this Order in any of the following: (a) technical requirements and descriptions, specifications, statement of work, drawings or designs; (b) shipment or packing methods; (c) place of delivery, inspection or acceptance; (d) reasonable adjustments in quantities or delivery schedules or both; (e) amount of Buyer-furnished property; and if this Order includes services, (f) scope of services to be performed; (g) time of performance (i.e., hours of the day, days of the week, etc.); and (h) place of performance.

6.2 If any change increases or decreases the cost or time required to perform this Order, Seller shall promptly notify Buyer. Seller may assert a claim by submitted a proposal explaining such claim. Buyer and Seller shall negotiate what, if any, equitable adjustment should be made in this Order's price or delivery or completion dates, or both, to reflect such a change, and Buyer shall modify this Order accordingly. Unless otherwise agreed in writing, Seller must assert any claim for adjustment hereunder to Buyer in writing within twenty-five (25) days after receipt of such change and deliver a fully supported proposal to Buyer within sixty (60) days after Seller's receipt of such change for Seller's claim to be considered. If Seller's proposal includes the cost of property made obsolete or excess by the change, Buyer may direct the disposition of such property. Buyer may examine Seller's pertinent books and records to verify the amount of any claim. Failure of the parties to agree upon such requested adjustment shall not excuse Seller from performing in accordance with Buyer's direction.

- 6.3 If Seller considers that Buyer's conduct (including any written or oral order) constitutes a change, Seller shall notify Buyer immediately in writing as to the nature of such conduct and its effect upon Seller's performance. Pending written direction from Buyer, Seller shall take no action to implement any such change.
- 6.4 The review or approval by Buyer of any work hereunder or of any designs, drawings, specifications or other documents prepared hereunder shall not relieve Seller of any of its obligations under this Order, nor excuse or constitute a waiver of any defects or nonconformity in any Item furnished under this Order, nor change, modify or otherwise affect any of the terms of this Order, including, but not limited to, the prices and delivery dates. Nothing in this Article 6 shall excuse Seller from proceeding without delay to perform this Order.
- 6.5 Change in Seller's Manufacturing Location - In the event that Seller intends to close or change the manufacturing location of any Item, Seller shall, at a minimum, give Buyer six (6) months advance notice in writing of: (1) intent to close or change the current manufacturing location; and (2) adequate assurances, including a comprehensive plan, detailing how Seller intends to meet its performance obligations and delivery of conforming product as required under this Order. In the event that Seller fails to provide such written notification and adequate assurances, Buyer, at its option, may terminate this Order in whole or in part, without obligation or liability of any kind to Seller, and recover all costs it reasonably incurs and all other damages, and/or require specific performance and/or all other remedies available to Buyer hereunder, at law and/or in equity, as a result of such breach by Seller of this Order, including any unperformed obligations.
7. **PAYMENT:** Payment terms for Items delivered to Buyer shall be set forth on the face of the Order. Payment shall be made by Buyer in accordance with the terms and conditions of this Order. Payment shall be made on a paid from receipt basis according to the information set forth on the packing slip or shipping documents which must be enclosed by Seller with the Items. Such information shall include the Order number, each Item number, and description, pricing, and total quantities, which information Buyer will verify for payment upon receipt of such Items. Accordingly, unless otherwise specified and agreed to with the Buyer's purchasing representative, Seller agrees that (A) SELLER SHALL NOT INCLUDE ANY STATEMENTS OR INVOICES TO BUYER WITH THE SHIPMENT; (B) IF SELLER'S PROCESS REQUIRES INCLUDING AN INVOICE WITH A SHIPMENT, BUYER MAY IGNORE ANY SUCH INVOICES WHICH ARE SENT TO BUYER; AND (C) SELLER HEREBY FULLY WAIVES, RELINQUISHES AND RELEASES BUYER FROM, AND AGREES TO INDEMNIFY AND HOLD HARMLESS BUYER AGAINST, ANY AND ALL POTENTIAL CLAIMS OR CAUSES OF ACTION FOR AN "ACCOUNT STATED", AND/OR ANY AND ALL OTHER CLAIMS OR CAUSES OF ACTION WHICH IN ANY MANNER ARISE OUT OF, OR RELATE TO ANY FAILURE OR REFUSAL BY BUYER TO REVIEW, OR RESPOND TO, ANY SUCH STATEMENT OR INVOICE. Payments for services performed by Seller, if any, will be invoiced and paid at the prices listed in the Order following completion of services and approval by a Buyer representative.
8. **WARRANTY:**
- 8.1 Seller warrants for a period of sixty (60) months from the date of delivery to Buyer that Items supplied by Seller hereunder shall be of merchantable quality, free from any security interest or other lien or encumbrance, free from any defects, whether patent or latent in material and workmanship, and conform to Buyer's specifications and requirements and to all drawings, samples or other descriptions furnished or referenced in the Order. If services related to the Items are provided under this Order, such services will be performed by persons who are experienced and highly skilled in their professions and in accordance with high standards of workmanship in the relevant profession or industry. Such warranties shall survive inspection, test, acceptance, and payment for the Items and shall run to Buyer and its customers. Buyer may, at its option, either return for credit or refund or require prompt correction or replacement of any defective or nonconforming Items or require prompt re-performance of any services. Seller shall be responsible for all costs associated with the correction or replacement of any nonconforming Item, and all costs for re-performance or correction of any deficient Services, including all material, labor, shipping, and insurance costs. Items required to be corrected or replaced shall be subject to the terms of this Article 8 and Article 9, Inspection and Acceptance, in the same manner and to the same extent as Items originally furnished under this Order, but only as to the corrected or replacement Item or parts. Any corrected or replacement Item shall have a warranty from Seller for a term equivalent to the amount of time remaining on the warranty term for the defective or nonconforming Item, but in no event shall such warranty be less than twelve (12) months from the date such corrected or replacement Item is furnished to Buyer.
- 8.2 A Counterfeit Item is an product, or any component of an product, produced, altered or otherwise misrepresented to resemble an Item, or any part of an Item, without authority or right to do so, including any product that is produced or altered to result in Buyer being misled or defrauded through the presentation of such product to Buyer as original, new, genuine or otherwise from a source other than the actual source of such Item.
- a. Seller represents and warrants to Buyer that Seller has in place, and will maintain in place throughout the duration of this Order, written policies and procedures which will adequately preclude, or detect and remove, Counterfeit Items from any shipment to Buyer. These policies shall include Seller's oversight and auditing of Seller's sub-tier suppliers. Seller further represents and warrants that it will provide Buyer only with Items and components that have been sourced from the original component manufacturer (OCM) or the OCM's authorized distributor, unless Buyer has previously authorized a different source in writing. Within ten (10) days after Seller's receipt of a request from Buyer, Seller shall provide Buyer with written documentation setting forth such policies, procedures and authorizations.
- b. If Buyer, in its sole discretion, determines that any products or components received from Seller are, or may be, Counterfeit Items (Suspect Counterfeit Items), Buyer shall notify Seller in writing of such suspicion. Within five (5) days after Buyer's notice, Seller shall provide accurate and complete records regarding the sources and history of production and distribution of the Suspect Counterfeit Items. Seller agrees that Buyer shall have no obligation to return, or pay for, any such Suspect Counterfeit Items. If requested, Buyer will return up to three (3) Items per date code to Seller for investigation, after engraving the word "scrap" on the top and bottom or otherwise rendering them unusable, provided that Seller immediately ships replacement Items for all Suspect Counterfeit Items. The parties shall work together to identify applicable testing for Suspect Counterfeit Items and, when the testing strongly indicates that the Suspect Counterfeit Items are Counterfeit Items, to determine how such Items are to be dispositioned. Seller agrees that Buyer shall have no obligation to pay for such Items. Seller further agrees that it shall indemnify, defend, and hold harmless Buyer from and against any claims, actions, proceedings, judgments, penalties, fines and/or other losses of any kind arising

out of or in connection with such Items. Prior to Seller's acquisition of any Items, or components thereof, that will be included in any transaction between Seller and Buyer, Seller shall flow down requirements substantially similar to the requirements set forth in this Article to all entities from which it receives such Items or components and shall be fully liable to Buyer for all such entities' non-compliance with such requirements.

- 8.3 SELLER WARRANTS THAT ALL ITEMS SUPPLIED BY SELLER ARE NEW AND PREVIOUSLY UNUSED UNLESS SPECIFICALLY APPROVED BY BUYER IN WRITING. ITEMS SHALL NOT BE SURPLUS, RECONDITIONED, RECOVERED, REFURBISHED, OR REMANUFACTURED, NOR COMMINGLED WITH SUCH STOCK UNLESS APPROVED BY BUYER IN WRITING.
- 8.4 Seller shall reimburse Buyer for all actual costs and damages associated with correcting any defect, failure, authenticity and nonconformance of any Item, including field support, logistics, repair, refurbishment, exchange and any other consequential costs associated with correcting the defect, failure, authenticity and nonconformance at either Buyer's location or at Buyer's customer location(s).
9. **INSPECTION AND ACCEPTANCE:** All Items provided pursuant to this Order by Seller or Seller's sub-tier suppliers shall be subject to inspection and test at all reasonable times and places, including the period of manufacture, by Buyer and Buyer's customers. All Items are also subject to final inspection and acceptance at Buyer's plant or specified place of delivery within a reasonable period of time after receipt, notwithstanding any payments or prior inspections. Notwithstanding any other terms and conditions of this Order, Seller shall be responsible to correct at its expense all latent defects which cannot be discovered by Buyer through reasonable inspection methods or time of use.
10. **TERMINATION:** Buyer shall have the right to terminate this Order in whole or in part at any time.
- 10.1 **For Convenience** – Upon receipt of a notice of termination from Buyer, Seller shall stop work and immediately take the necessary action to ensure that all work under the Order shall cease, and to the extent specified in Buyer's termination notice, that all subcontracts and orders are forthwith terminated immediately. Seller shall also reassign to other customers, all in-process material and components relating to the terminated portion of the Order. Seller shall deliver to Buyer any completed Items, parts, assemblies and components which are not so reassigned. The terms of this Section 10.1 shall not limit or affect the right of Buyer to terminate this Order for default under Section 10.2, and shall not apply to a breach of contract. In case of termination by Buyer of all or any part of this Order without cause, any Seller termination claim must be submitted to Buyer within thirty (30) days after the effective date of termination to be considered for payment. Seller shall maintain complete and accurate records of cancellation/termination claims, which shall support Seller's claimed costs. Such records shall be accessible for verification through audit and analysis by Buyer. Buyer's maximum liability shall be limited to the following:
- Payment for any Items already delivered or services performed and accepted by Buyer plus the proportionate part of the unit price for any Items in the process of manufacture, inspection, or test, pro-rated to the state of their completion. Seller shall certify, with respect to all Items of termination inventory included in the termination claim, that the costs of such Items are properly allocable to the terminated portion of the Order, that such Items are not in excess of the reasonable quantitative requirements of the terminated portion of the Order, and that such Items do not include any Items, parts, assemblies, or components reasonably usable without loss to Seller on its other work.
 - In no event shall Seller be entitled to any amount which, taken together with monies paid or owing under the Order, shall exceed the value of the terminated portion of the Order.
 - Seller shall have no claim for any damages, or loss of profit, arising out of any termination for convenience.
 - Seller shall have no recourse for any costs if the Order is terminated 1) due to lack of Buyer sales or 2) within two (2) weeks after issuance or 20% of the delivery schedule, whichever is less.
- 10.2 **For Default** — Buyer may by written notice to Seller, without prejudice to any other rights or remedies provided under this Order, at law or in equity, terminate this Order in whole or in part in any of the following circumstances:
- if Seller has been declared bankrupt, makes an assignment for the benefit of creditors, or is in receivership; or
 - if Seller fails to perform the work or deliver the Items in accordance with the performance requirements or delivery schedules specified herein or any extension thereof; or
 - if Seller fails to comply with Article 28, Export and Import Requirements; or
 - if Seller: 1) fails to perform any of the other terms of this Order; or 2) fails to make progress as to endanger the performance of this Order in accordance with its terms, and in either of the two circumstances enumerated in Sections 10.2.d.1) or 10.2.d.2), does not cure such failure within a period of ten (10) days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure. In the event Buyer terminates this Order in whole or in part as provided in this Section 10.2, Buyer may procure, upon such terms and in such manner as it may deem appropriate, supplies or services similar to those so terminated, and Seller shall be liable to Buyer for any excess costs, reasonably incurred for such similar supplies or services, provided that Seller shall continue the performance of this Order to the extent not terminated under the terms of this Article.
11. **RELEASE OF NEWS INFORMATION AND ADVERTISING:** Seller shall not, without the prior written consent of Buyer (a) make any news release, public announcement, denial or confirmation of all or any part of the subject matter of this Order, or (b) in any manner advertise or publish the fact that Buyer has issued this Order.
12. **INTELLECTUAL PROPERTY (IP)**
- 12.1 **IP Definitions:**
- Background IP:** IP which is (a) (i) owned by either Party prior to issuance of this Order, or (ii) developed, generated or acquired by either party at any time independently from the performance of this Order or, (iii) licensed to either party by third parties, and (b) required for the installation, integration, use, manufacturing, modification, test, or support of the Items.
 - Build to Print (BTP) Item:** Any Item that is a part, component, or assembly, specifically produced or manufactured in accordance with Buyer's IP reflecting Buyer's requirements.
 - Build to Spec (BTS) Item:** Any Item that is (i) a part, component, or assembly, and (ii) designed, redesigned, developed and manufactured by Seller (iii) in accordance with Buyer's IP and/or other requirements, as described in a specification, statement of work and/or basic drawings detailing form, fit or

function, but not containing detailed design information (iv) from which Seller then creates Foreground IP at its own expense in order to produce or manufacture the Item to meet Buyer's requirements.

- d. **COTS Item:** Any Item in a form developed at Seller's (or its sub-tier supplier's) expense (i) customarily stocked or held in quantity by Seller for sale or license on demand by customers or used by, sold or licensed to, or offered for sale or license to, the general public, including via catalog listing, published price list, or another similar form that is regularly maintained by Seller, made available to the general public, and states purchase prices for Items, and (ii) not designed, developed or modified to meet Buyer's requirements in any way.
- e. **Foreground IP:** Any IP conceived or developed in the performance of this Order or in the process of designing, developing, manufacturing, testing, modifying, or improving the Items to meet Buyer's requirements, whether known at present or conceived, developed, or modified in the future.
- f. **Intellectual Property (IP):** Any and all inventions whether or not patentable, utility models, methods, trademarks, designs, copyrights, moral rights, trade secrets, in each case whether registered or unregistered, know-how, processes, techniques, procedures, documentation, data, plans, computer programs, databases, software, drawings, specifications, statements of work, requirements documents, samples, part numbers, or other technical or business-related data or information identified as IP by either party, and in each case in any form or format including electronic, whether known at present or conceived or developed in the future, including improvements to any such IP.
- g. **MOTS Item:** Any Item that meets the definition of COTS Item, except that Seller modifies or has modified the Item in a minor way to meet Buyer's requirements in accordance with Buyer's Background IP provided to Seller. Minor modifications do not significantly alter the functions or essential physical characteristics of an Item, or change the purpose of a process. Factors to be considered in determining whether it is minor include the value and size of the modification in comparison to the value and size of the Item. Dollar values and percentages may be used as guideposts, but are not conclusive.

12.2 IP Rights and Ownership:

- a. **COTS Item:** Seller is and remains the sole owner of its IP in any COTS Item, including any software embedded in or specifically designed for use with such COTS Item or, where not the sole owner, Seller has rights sufficient to grant the following license: Buyer is hereby granted a non-exclusive, worldwide, royalty-free, perpetual, irrevocable license (with rights to sublicense) to use, modify, or improve Seller's IP as necessary to install, integrate, use, test, operate, maintain, reproduce, re-install, perform, exhibit, modify, improve, repair, or support any COTS Item and to translate or distribute all or any part of such COTS Item or Seller's IP to the extent necessary for Buyer's customers and end users.
- b. **MOTS Item:** Seller is and remains the sole owner of its Background IP in any MOTS Item or, where not the sole owner, Seller has rights sufficient to grant the following license: Buyer is hereby granted a non-exclusive, worldwide, royalty-free, perpetual, irrevocable license (with rights to sublicense) to use, modify, or improve Seller's Background IP as necessary to install, integrate, use, test, operate, maintain, reproduce, re-install, perform, exhibit, modify, improve, repair, or support any MOTS Item and to translate or distribute all or any part of such MOTS item or Seller's Background IP to the extent necessary for Buyer's customers and end users. To the extent Seller creates or has created Foreground IP related to such MOTS Item, Seller hereby grants and transfers all ownership rights to such IP to Buyer and agrees to provide a list and complete copies of all such IP to Buyer within seven (7) days of Buyer's request.
- c. **BTP Item:** Buyer is and remains the sole and exclusive owner of all IP in any BTP Item. To the extent Seller creates or has created Foreground IP related to any BTP Item, Seller hereby grants and transfers all ownership rights to such Foreground IP to Buyer and agrees to provide a list and complete copies of all such IP to Buyer within seven (7) days of Buyer's request.
- d. **BTS Item:** Each Party is and remains the sole and exclusive owner of its Background IP in any BTS Item. To the extent Seller creates or has created Foreground IP related to such BTS Item, Seller hereby grants and transfers all ownership rights to such Foreground IP to Buyer and further agrees to provide any documentation necessary to confirm such grant. Seller will also transfer and provide a list and complete copies of all such IP to Buyer within seven (7) days of Buyer's request.

12.3 Other IP Rights:

- a. **Buyer IP:** Seller may not sell or license any MOTS, BTP, or BTS Item nor use or allow third parties to use any Buyer IP (including any Foreground IP owned by or transferred to Buyer under the IP Rights clauses above for MOTS, BTP and BTS Items) for any purpose other than supplying such MOTS, BTP, or BTS Item to Buyer, without the prior written consent of Buyer, unless such sale, license, or use is allowed by rights granted under specific federal government contracts.
- b. **Third Party Material:** Seller shall not knowingly include any IP owned by others in Items furnished hereunder, without first obtaining and providing to Buyer, at no additional cost and for the benefit of Buyer, a license for such IP of the same scope as set forth under the MOTS Item Rights Section above.
- c. **Operational, Logistical, Maintenance or Related Information:** Seller hereby grants to Buyer the rights to modify any IP owned by Seller (or its sub-tier supplier) for inclusion into Buyer's material to be supplied to its customers and end users to the extent required by customer or end user requirements to provide operational, logistical, maintenance, or other support for Items. Where allowed by the customer or end user, Buyer will maintain Seller's IP notice or legend in any Seller Background IP.
- d. **IP Related to Obsolete or Terminated Items:** If (a) Buyer reasonably believes that Seller is, or will become, unable to produce, deliver, maintain or support any Item such that it is or will become an Obsolete Item (as defined in the Item Obsolescence clause above), or (b) in the event of termination for default of this Order with respect to such Item, Seller agrees to provide copies of all Seller's Foreground and Background IP necessary to test, produce, manufacture, repair, or maintain such Item to Buyer upon request, at no charge. Buyer may use such IP to make, have made, use, sell, and support such Item for so long as the aircraft or Buyer product in which it is installed continues to operate. If requested by Buyer prior to any such Item

becoming an Obsolete Item, Seller agrees to deposit in third party escrow all such Seller IP, including updates as changes occur.

13. **INTELLECTUAL PROPERTY INDEMNITY:** Seller hereby indemnifies Buyer, its customers, and end users of the Items against loss, damage, liability, costs and expenses, including attorneys' fees, which may be incurred on account of any suit, claim, judgment, or demand involving infringement or alleged infringement of any copyright, trademark, or patent, or misuse or violation of any IP rights in any Item furnished hereunder (Action), provided Buyer shall notify Seller of any Action instituted against it, and to the full extent of its ability to do so, shall permit Seller to defend or settle such Action.
14. **INSURANCE:**
- 14.1 During the term of this Order, Seller shall maintain the following insurance coverages in form reasonably satisfactory to Buyer:
- Workers' Compensation as statutorily required in the State where the work is performed;
 - Employers Liability insurance in an amount not less than \$500,000 per accident, per employee, per disease;
 - Commercial Automobile Liability insurance and, if necessary, Umbrella Liability insurance in a combined total amount not less than \$1,000,000 per accident covering bodily injury and property damage arising out of the use of owned, hired, and non-owned autos; and
 - Commercial General Liability insurance and, if necessary, Umbrella Liability in a combined total amount not less than \$1,000,000 per occurrence to cover bodily injury and property damage arising out of premises, operations, independent contractors, product-completed operations, personal injury and advertising injury, and liability assumed under an insured contract.
- 14.2 If any Items sold to Buyer under this Order are subject to an airworthiness certification pursuant to any government regulatory agency or have been specifically designed and manufactured for aviation industry applications, Seller shall also maintain aviation products liability insurance in an amount not less than \$50,000,000 per occurrence and in the aggregate covering bodily injury or property damage sustained by any person, caused by an occurrence and arising from a defective Item. Such insurance can be provided by
- an Aviation Products Liability insurance policy or
 - the endorsement of the Commercial General Liability policy described in Section 14.1(d) to include coverage for aviation products.
- 14.3 All required insurance must be underwritten by insurance companies with a minimum rating by A.M. Best of A- or other rating equivalent and licensed to conduct business in all states or territories where this Order shall apply.
- 14.4 Seller shall cause its insurer to waive its rights of subrogation against Buyer with respects to Workers' Compensation claims.
- 14.5 Upon Buyer's request, Seller shall provide a certificate of insurance to Buyer within ten (10) days, attesting to the amounts and types of insurance described above. The certificate insurers shall endeavor to provide thirty (30) days written notice to Buyer in the event of policy cancellation or material change.
- 14.6 Subject to Buyer's permission for Seller to use sub-tier suppliers, Seller shall ensure that each such sub-tier supplier maintains each of the above coverages and extends such indemnity obligation to Buyer. In the event that any such sub-tier suppliers or their insurers fail or are unable to honor the indemnification obligations of Seller to Buyer as stated in this Order, Seller agrees to assume such obligations of its sub-tier suppliers.
- 14.7 Any deductible or self-insured retention shall be consistent with deductibles and self-insured retentions maintained by companies in the same industry, general geographical location, and financial size and strength. Seller shall be solely responsible for all claims within the amounts of any deductibles or self-insured retentions.
- 14.8 It is specifically agreed that the types and amounts of insurance requested above shall not limit or otherwise affect Seller's obligation to indemnify and hold Buyer harmless as provided by Article 13 or 15 of these General Terms and Conditions.
15. **INDEMNIFICATION:** Seller hereby agrees to indemnify and hold harmless Buyer, its affiliates and their respective successors and assigns, and its and their respective directors, officers, agents and employees, from and against any and all claims, liabilities, demands, damages, losses, causes of action and judgments (a) brought by any person, corporation, governmental entity or other entity not a party to this Order, whether arising from injury or death to persons or loss or damage to property or otherwise (collectively, Third Party Claims), and reasonable attorneys' fees and costs and expenses incident thereto to the extent such Third Party Claims arise from (i) any defect in the design, workmanship or material of any Item or component thereof including software provided by Seller to Buyer hereunder or (ii) any negligence (whether active or passive) or willful misconduct of Seller, its suppliers of any tier or its or their directors, officers, agents, or employees; and (b) arising out of or in connection with any breach by Seller of its warranty stated in Article 8 above.
16. **ASSIGNMENT AND SUBCONTRACTING:** Buyer may assign in whole or in part any of its rights and obligations under this Order without the prior consent of Seller. Seller shall not assign in whole or in part, or subcontract in whole or substantially in whole, any part of its rights or obligations under this Order without the prior written consent of Buyer. The terms and conditions of this Order shall bind any permitted successors and assigns of either party.
17. **CONFIDENTIAL OR PROPRIETARY INFORMATION AND PROPERTY:** Seller shall maintain data protection processes and IT and physical security systems to adequately keep confidential and otherwise protect from disclosure all data or information, regardless of form and including but not limited to software (source and object codes and any related documentation), drawings, specifications, requirements documents, samples, and property obtained from Buyer in connection with this Order and identified as confidential or proprietary or owned by Buyer or a third party (Information). Goods or services designed, manufactured, or modified specifically to Buyer requirements or specifications shall not be sold or marketed to any third party without Buyer's prior written consent, unless such sale, marketing, or production is allowed by rights granted under specific federal government contracts. Unless otherwise expressly authorized herein or by Buyer in writing, Seller shall use such Information and property, and the features thereof, only in the performance and for the purposes of this Order. Nothing contained herein grants Seller any ownership in or rights to any Information furnished except as specifically stated herein or granted separately in writing by Buyer. Upon Buyer's request, Seller shall return all such Information and property to Buyer or make other disposition as directed by Buyer. Upon such request, Buyer shall provide, and Seller shall comply with, written instruction on how Seller must sell or dispose of defective, completed or partially completed equipment or property, including scrap, or rendering such property unsuitable for further use. If Seller becomes aware of any unauthorized use or access to, inadvertent disclosure of, or misuse,

loss, or destruction of, such Information by Seller, its officers, employees, agents, or sub-tier suppliers or consultants or a failure or breach of the protection systems for such Information (Misuse), Seller shall take immediate action to investigate and contain the Misuse and any associated risks, including prompt notification to Buyer. Seller shall cooperate promptly in the investigation of such Misuse and in the implementation of any remedial measures to prevent future Misuse. In all purchase agreements issued by Seller to its sub-tier suppliers for performance of work related to this Order, Seller shall include similar confidentiality terms to provide Buyer the same rights and protections as contained in this clause. Seller shall be liable to Buyer for any loss or misappropriation of the Information or property.

18. **BUYER'S PROPERTY:**

18.1 All property used by Seller in connection with this Order which is owned, furnished, charged to, or paid for by Buyer or its customer shall be and remain the property of Buyer or its customer, subject to removal and inspection by Buyer at any time without cost or expense to Buyer, and Buyer shall have free access to Seller's premises for the purpose of inspecting or removing such property. All such property shall be identified and marked as Buyer's or its customer's property, used only for this Order, and adequately insured by Seller at its expense for Buyer's protection. Seller shall assume all liability for and maintain and repair such property and return the same to Buyer in its original condition, reasonable wear and tear excepted. When such property is no longer required hereunder, Seller shall furnish Buyer with a list of such property for disposition instructions and shall promptly comply with any disposition instructions received from Buyer. Buyer shall only pay invoices for tooling after the first Item produced from the tooling is received, tested, and accepted by Buyer.

18.2 Materials, excluding U.S. Government property, furnished by Buyer on other than a charge basis in connection with this Order shall be held by Seller as bailee thereof. Seller agrees to pay Buyer's replacement cost for all such material spoiled or otherwise not satisfactorily accounted for over and above two percent (2%) thereof allowable for scrap loss. Seller shall be the bailee of Buyer's property until the expiration or termination of this Order or Buyer requires Seller to return such property, whichever occurs first. As bailee, Seller shall maintain property casualty insurance coverage for Buyer's property in an amount specified by Buyer, pay any reasonable expenses associated with the storage and maintenance of Buyer's property, and retain possession of Buyer's property throughout performance of this Order, unless written permission to move such property is obtained from Buyer. Seller covenants and warrants to Buyer that it will not permit or suffer any third party to assert any liens against the bailed property by any agreement, nor use the bailed property as collateral in any secured transaction, nor perfect any security interest in or otherwise encumber the bailed property. Buyer and its agents shall not be liable for any claims including claims for bodily injury or property damage arising from Seller's use of the bailed property.

19. **GRATUITIES:** Seller warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuities to Buyer's employees, agents or representatives or any gratuity or political contribution to any Government officials or political party with a view toward securing this Order or securing favorable treatment.

20. **COMPLIANCE WITH LAWS:** Seller warrants that it will comply with all federal, state, and local laws, including, but not limited to, any statute, rule, regulation, judgment, decree, order, or permit applicable to its performance under this Order including any employment, health, environmental, or safety agency regulations. In addition, Seller shall conduct quarterly self-audits of records which evidence compliance with laws and regulations applicable to hiring current and former U.S. Government employees. Seller shall provide Buyer with written certification that such audits have been completed within ten (10) calendar days of the quarter completion. Failure to complete such audits and provide written certification may be grounds for termination for cause as specified in Article 10 above.

21. **STANDARDS OF BUSINESS CONDUCT:** As Buyer is committed to conducting its business with the highest standards of ethics and in accordance with the laws of the United States and other countries in which it operates, all who conduct business with Buyer are expected to operate in the same manner and with the highest standards of integrity. Buyer's further expectation is that Seller will have or will promptly develop and adhere to a code of business conduct. If Seller does not have a code of business conduct, Seller, for itself and on behalf of its employees, agents and representatives, agrees to become familiar with Buyer's Standards of Business Conduct found at http://www.rockwellcollins.com/Our_Company/Ethics.aspx, and adhere to and abide fully by those standards of conduct when work is performed at a Buyer facility. Seller, its employees, agents and representatives shall immediately notify Buyer through its reporting mechanism at ethics@rockwellcollins.com of any instance in which it believes that the Standards of Business Conduct or law may have been violated in the performance of work under this Order.

22. **REMEDIES, NON-WAIVER AND INVALIDITY:** The rights and remedies provided to Buyer pursuant to this Order shall be cumulative and in addition to any other rights and remedies provided at law or in equity. Any and all failures, delays, or forbearances of either party in insisting upon or enforcing at any time any of the terms of this Order, or exercising any other terms, rights or remedies under this Order, shall not be construed as a waiver or relinquishment of any such terms and conditions, rights or remedies in those or any other instances or of any other terms, rights or remedies. The invalidity in whole or in part of any term or condition of this Order shall not affect the validity of any other term or condition.

23. **APPLICABLE LAW:** This Order shall be governed by, construed and enforced in accordance with the laws of the State of Iowa, without regard to its choice of law rules, but including its Uniform Commercial Code. This Order specifically excludes the provisions of the 1980 United Nations Convention on Contracts for the International Sale of Goods and the U. N. Convention on the Limitation Period in the International Sale of Goods, as amended by Protocol.

24. **DISPUTES:**

24.1 **As to all Sellers, U.S. based and foreign based:** U.S. based Sellers are those sellers who have their principal place of business located within the United States. Foreign based sellers are those sellers who have their principal place of business located outside the United States. In the event that any claim, dispute or controversy arising out of or in connection with this Order including, without limitation, any question regarding the existence, validity, breach, or termination of such Order, cannot be resolved by the parties themselves through negotiation, the parties shall attempt to resolve such claim, dispute or controversy by non-binding mediation through knowledgeable representatives of each party. The parties shall cooperate in the selection of a qualified mediator and shall split evenly all mediation fees and costs.

24.2 **As to U.S. based sellers:** In the event that any such claim, dispute or controversy cannot be resolved by and between Buyer and any U.S. based Seller through negotiation and/or mediation within sixty (60) days after such dispute arises, if either party elects to pursue the claim further, it shall refer such claim, dispute or controversy to

final resolution by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. The tribunal shall consist of three (3) arbitrators. Within fifteen (15) days after the commencement of arbitration, each party shall appoint one (1) person to act as arbitrator and, within ten (10) days after the latest date upon which each such arbitrator shall have been appointed, the two (2) selected arbitrators shall appoint a third arbitrator. If the arbitrators appointed by the parties are unable or fail to agree upon the third arbitrator, the choice for the third arbitrator shall be appointed by the American Arbitration Association. The place for arbitration shall be Chicago, Illinois.

- 24.3 **As to foreign based sellers:** In the event that any such claim, dispute or controversy cannot be resolved by and between Buyer and any foreign based Seller through negotiation and/or mediation within sixty (60) days after such dispute arises, if either party elects to pursue the claim further, it shall refer such claim, dispute or controversy to final resolution by binding arbitration under the Rules of the International Chamber of Commerce. The tribunal shall consist of three (3) arbitrators. Within fifteen (15) days after the commencement of arbitration, each party shall appoint one (1) person to act as arbitrator and, within ten (10) days after the latest day upon which each such arbitrator shall have been appointed, the two (2) selected arbitrators shall appoint a third arbitrator. If the arbitrators appointed by the parties are unable to or fail to agree upon the third arbitrator, the choice for the third arbitrator shall be appointed in accordance with the Rules of the International Chamber of Commerce. The place of the arbitration shall be New York, NY, USA. The language of the arbitration shall be English.
- 24.4 **Judgment:** Judgment upon the award rendered by the arbitrators under either Section 24.2 or 24.3 above may be entered in any court having jurisdiction thereof, and the parties agree the award will be final, in writing, and binding and cannot be made subject to any review, appeal or other recourse, other than judicial review to the extent allowed by the law of the applicable jurisdiction. Both parties waive and relinquish the right to refer such claim, dispute or controversy to any other jurisdiction. Each party shall bear its costs of arbitration except that the arbitration tribunal may award to the prevailing party its reasonable attorneys' fees.
- 24.5 **Performance:** Pending final resolution of any dispute, Seller shall proceed with performance of its obligations under this Order in accordance with Buyer's instructions so long as Buyer continues to pay Seller amounts due under this Order that are not in dispute.
- 24.6 **Confidentiality:** The existence and content of the arbitral proceedings and any rulings or award shall be kept confidential by the parties and members of the arbitral tribunal except (a) to the extent that disclosure may be required of a party to fulfil a legal duty, protect or pursue a legal right, or enforce or challenge an award in *bona fide* legal proceedings before a state court or other judicial authority, (b) with the consent of all parties, (c) where needed for the preparation or presentation of a claim or defense in this arbitration, (d) where such information is already in the public domain other than as a result of a breach of this Confidentiality article, or (e) by order of the arbitral tribunal upon application of a party.
25. **TAXES:** Seller shall properly impose upon, collect from Buyer, and timely remit to the appropriate governmental authorities any sales, use, or value added taxes, customs duties, or similar levies, including fines and penalties (Taxes) applicable to Items including services sold, licensed, delivered, or furnished hereunder. Each of the Taxes will be separately stated on any Seller invoices. To the extent software including documentation is delivered electronically, Seller's invoice shall indicate the manner of delivery as "software delivered electronically to the customer" and identify locations where the software will be used if known. Invoices shall not include any Taxes for which Buyer has furnished an exemption certificate. If Seller receives a refund of any Taxes attributable to Buyer, Seller will promptly credit such amount to Buyer. If Seller receives notice of any additional Taxes applicable to this Order, Seller shall promptly notify Buyer via notice to Rockwell Collins, Inc., Attn: Manager, Tax Compliance, at 400 Collins Road NE, MS 124-315, Cedar Rapids, Iowa 52498.
26. **TITLE:** Except if title has passed to Buyer or Buyer's customers under another clause of this Order, title to Items shall pass to Buyer upon delivery of the Item to the delivery location designated by Buyer.
27. **PRODUCT MATERIALS DECLARATIONS:**
- 27.1 **Hazardous Materials:** For each Item, Seller shall notify Buyer if the Item contains a substance or material that may be hazardous and if it is required to have a Safety Data Sheet (SDS). The percent by weight is required for substances or material required to have a SDS. Labeling and instructional materials shall be in accordance with the SDS. A shipment containing hazardous and non-hazardous materials shall have separate packaging sheets for the hazardous and non-hazardous materials. Items shipped on the same day must be consolidated on one bill of lading or air bill, unless Buyer authorizes separate documents. Shipping documents shall describe the material according to the applicable classification or tariff rating. Original bills of lading shall be surrendered to the carrier upon shipment.
- 27.2 **Hazardous Substance Disclosure:** Upon Buyer's request, Seller shall promptly provide information on any Items delivered under this Order which contain hazardous substances (Hazardous Disclosure). A Hazardous Disclosure shall include part number, part weight, substance name, and substance percentage by weight. Seller shall promptly provide Buyer with an updated Hazardous Disclosure for new Items purchased by Buyer and changes to the hazardous substance list affect Items. Seller shall provide a Hazardous Disclosure within fifteen (15) days after receipt of the request.
- 27.3 **Prohibited Substances:** Seller shall not include prohibited substances in Items delivered to Buyer, without Buyer's prior approval. Prohibited substances are subject to change upon notice, but currently include asbestos, radioactive substances, and ozone-depleting substances, including substances on their own and in substance-containing compounds.
- 27.4 **REACH:** Upon Buyer's request (REACH Request), Seller shall provide information on any Items delivered hereunder which contain regulated substances (REACH Disclosure) as specified in EC Regulation No 1907/2006 of the European Parliament and of the Council of December 18, 2006 concerning Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). Seller shall promptly provide Buyer with an updated REACH Disclosure whenever an Item contains a substance that is added to the REACH Candidate List for Authorization, is subject to Authorization, or is Restricted. Seller represents and warrants that each Item, its supply and use, including its incorporation into other products, and its import into the European Union, complies with all applicable REACH requirements, including, but not limited to, substance registration, notification and authorization of a Substance of Very High Concern (SVHC). Seller shall complete Buyer's semi-annual survey no later than fifteen (15) days after the date of issuance of the REACH Request. Seller further agrees that if Seller does not respond within fifteen (15)

days, such non-response shall constitute Seller's affirmation that none of the Items supplied hereunder contain a SVHC.

27.5 **Conflict Minerals:** Upon Buyer's request (CM Request), Seller shall provide information (CM Disclosure) on any Items delivered hereunder containing Conflict Minerals (CM), which currently include gold, tin, tungsten and tantalum, as defined in 77 FR 56273, 17 CFR PARTS 240, 249 and 249b, Section 13(p) of the Securities Exchange Act of 1934 and Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (collectively, Conflict Minerals Regulations). The CM Disclosure shall be completed in the format of the CFSI Conflict Minerals Reporting Template which can be found at <http://www.conflictreesourcing.org/> conflict-minerals-reporting-template and be submitted to Buyer no later than fifteen (15) business days from receipt of the CM Request. Seller shall promptly provide a written update of any change in or addition necessary to provide complete and accurate information in the CM Disclosure.

27.6 **Lithium:** Prior to the initial shipment of any Item that contains lithium battery power sources (metal or ion) or any other derivative or combination of matter that contains lithium batteries, Seller shall notify Buyer in advance of Item shipment via notice to Rockwell Collins, Inc. Attn: Enterprise Logistics Engineer (Lithium), 400 Collins Road NE, M/S 109-127, Cedar Rapids, IA 52498. If there is any material change to the lithium content, size, type, or quantity in subsequent shipments of any Item, Seller shall re-submit the notification with updated information. Seller shall provide such notification by completing the appropriate form available in the Suppliers section at portal.rockwellcollins.com. Additionally, prior to and during shipment, each Item containing lithium shall meet all labeling and all other requirements set forth in the United Nations Manual of Tests and Criteria, part III, subsection 8.3 as referenced in the U.S. Department of Transportation hazardous materials regulation at 49 CFR parts 100-185. Furthermore, prior to and during shipment, each Item that contains lithium shall meet the requirements set forth in the International Air Transport Authority (IATA) Dangerous Goods Regulations Section 4.

27.7 **Cooperation:** Seller shall cooperate with Buyer and provide all information, documentation, and assistance requested by Buyer for achieving compliance with all current and future materials declaration regulations. Seller shall reimburse Buyer for all costs and expenses in connection with any expenditure required by Buyer for compliance of Items with such materials declaration regulations, including, but not limited to, testing for REACH compliance, which testing shall be performed, at Buyer's option, by Buyer or Seller.

27.8 **Verification Rights:** This Product Material Declarations Article shall apply to Seller and its sub-tier suppliers and Seller shall flow down requirements substantially similar to the requirements contained this Article in its agreements with its sub-tier suppliers. Upon Buyer's request, Seller shall also provide a copy of its policies and procedures implemented for compliance with these product material declarations regulations and requirements. Seller's compliance shall be capable of verification through review and analysis by Buyer at Seller's facility and be available for Buyer's examination and reproduction upon prior notice, until three (3) years after final payment under this Order. Seller shall provide assistance to interpret such data if requested by Buyer.

28. **EXPORT AND IMPORT REQUIREMENTS:**

28.1 **Export Laws and Regulations:** The recipient of Information (defined in the Proprietary Information and Property Article above) and property under this Order acknowledges its obligations to control access to technical data and equipment under U.S. export laws and regulations and agrees to adhere to such laws and regulations and any licenses issued thereunder with regard to any technical data or equipment received under this Order. Seller shall comply with any applicable import or export laws, regulations, orders, licenses or requirements of foreign jurisdictions applicable to Items supplied under this Order, including export restrictions on Items for use in military applications. Should any government deny a license or approval necessary for the performance of this Order for reasons beyond the control of Seller, this Order may be terminated in accordance with Article 10. In the event any government agency levies any penalties, fines or charges against Buyer due to Seller's failure to provide any necessary Item information for import or export documentation, Seller shall promptly reimburse Buyer for all such charges.

28.2 **Offsets/Industrial Cooperation Credits:** Offset refers to the entire range of industrial and commercial benefits that can be provided to foreign governments as an inducement or condition to purchase defense products or services, through government to government transactions or Buyer direct sales of defense products services. Those benefits can include co-production, licensed production, subcontracting, technology transfer, in-country procurement, marketing, financial assistance, investment, and joint ventures. Buyer's need for Offset credits may be one of the reasons for entering into this Order. Seller shall promptly notify Buyer if any of the above activities are performed in support of this Order and shall ensure all such transactions are credited to Buyer for Offset purposes, to the extent that local law permits. Upon request, Seller shall assist Buyer at no additional charge in obtaining Offset credits for such Seller transactions in countries where Buyer has Offset obligations, including providing transaction details for its purchases in support of this Order to Buyer (e.g., country of origin, dollar value of purchase, percent of value-added in country of origin, date of purchase, supplier in country of origin, and contact person name and other contact information for supplier in country of origin).

28.3 **Product Information:** Seller shall provide the following information as applicable for all Items to be furnished under this Order:

- a. Harmonized Tariff Schedule Number (HTS) (applicable for Seller designed Items);
- b. Export Control Classification Number (ECCN) or USML Category Code (CAT) (applicable for Seller designed Items);
- c. Country of Origin; and
- d. A Certificate of Origin or Manufacturer's Affidavit (MA) for all Items delivered hereunder. If the Item is manufactured in Canada or Mexico, a NAFTA Certificate of Origin is required. Seller must submit a Certificate for each Item by submitting: (i) a blanket Certificate of Origin or MA on an annual basis for all Items to be delivered; (ii) an individual Certificate of Origin whenever there is a change in country of origin on any Items on this Order; or (iii) a new Certificate of Origin or MA for any new Buyer or Seller part number that is added to this Order. The Certificates of Origin and MAs shall be sent to Buyer's purchasing representative.

Inability to provide the required information may be considered a failure to deliver in conformity with this Order and Buyer may, in its sole discretion and at Seller's expense, reject the Item at the point of receipt

- 28.4 **Import Documentation:** A commercial invoice must be presented for each import into the United States (19 CFR 141.81). If the required commercial invoice is not available, a pro forma invoice may be used in place of a commercial invoice (19 CFR 141.85). The commercial invoice must be prepared in the manner customary in the trade, contain the information required by 19 CFR 141.86 through 141.89, and substantiate the statistical information required by 19 CFR 141.61(e) to be given on the entry. The Code of Federal Regulations may be found at <http://www.gpo.gov/fdsys/browse/collectionCfr.action?selectedYearFrom=-1&go+Go>.
- 28.5 **Customs/C-TPAT:** Seller must meet the minimum security requirements under the Customs Trade Partnership Against Terrorism (C-TPAT). Seller shall provide its C-TPAT SVI number or certification that they comply with the security requirements. Requirements may be found at <http://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism>.
- 28.6 **ITAR:** In the event Seller is supplying an Item that is controlled under the International Traffic in Arms Regulations and classified on the United States Munitions List, Seller shall provide confirmation in writing to Buyer that Seller is registered with the Directorate of Defense Trade Controls (22 C.F.R. 122.1). Inability to provide the required information may be considered a failure to deliver in conformity with this Order and Buyer may, in its sole discretion and at Seller's expense, reject the Item at the point of receipt.
- 28.7 **Currency:** Unless otherwise stated on the Order, payment shall be made in U.S. dollars.
- 28.8 **English Language:** Except as the parties may otherwise agree, data, notices, and all other documentation or proceedings related to this Order shall be in the English language. If there is any inconsistency between the terms of this Order and any translation, the English language meaning shall prevail.
29. **UNITED STATES PUBLIC LAWS:**
- 29.1 **Equal Opportunity:** Seller shall comply with the requirements, as applicable and as amended, of 41 C.F.R. §60-1, Equal Employment Opportunity; 41 C.F.R. §60-300.5(a), Affirmative Action and Nondiscrimination Obligations of Contractors and Subcontractors Regarding Disabled Veterans, Recently Separated Veterans, Other Protected Veterans, and Armed Forces Service Medal Veterans; and 41 C.F.R. §60-741.5(a), Equal Opportunity for Workers with Disabilities. **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, 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, national origin, protected veteran status, or disability.** When subcontracting opportunities exist, Seller shall also comply with Federal Acquisition Regulation (FAR) 52.219-8, Utilization of Small Business Concerns, and FAR 52.219-9, Small Business Subcontracting Plan. If Seller is required to submit a plan, Seller shall submit its plan to supplierdiversityoffice@rockwellcollins.com and shall reference Buyer's prime contract number and DUNS Number 060605883 when submitting any required subcontracting reports using the Government's Electronic Subcontracting Reporting System at <http://www.esrs.gov>.
- 29.2 **Other Laws:** As applicable and as amended, Seller shall comply with 29 U.S.C. §793 Employment Under Federal Contracts; 15 C.F.R. 700 Defense Priorities Allocation System; 15 U.S.C. 637(d)(2) and (3), Performance of Contracts by Small Business Concerns; FAR 52.244-6, Subcontracts for Commercial Items; FAR 52.203-13, Contractor Code of Business Ethics and Conduct; FAR 52.204-21, Basic Safeguarding of Covered Contractor Information Systems; FAR 52.222-40, Notification of Employee Rights under the National Labor Relations Act; FAR 52.222-50, Combating Trafficking in Persons; FAR 52.222-54, Employment Eligibility Verification; and FAR 52.232-40, Providing Accelerated Payments to Small Business Subcontractors. As applicable and as amended, Seller shall also comply with Department of Defense Acquisition Regulation Supplement (DFARS) 252.204-7008, Compliance with Safeguarding Covered Defense Information Controls; DFARS 252.204-7009, Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information; DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting (with reporting of cyber incidents directly to DoD and to Buyer); DFARS 252.219-7000, Advancing Small Business Growth; DFARS 252.225-7007, Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies; DFARS 252.225-7021, Trade Agreements; DFARS 252.225-7033, Waiver of United Kingdom Levies; DFARS 252.239-7017, Notice of Supply Chain Risk; DFARS 252.239-7018, Supply Chain Risk; DFARS 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System, and DFARS 252.246-7008, Sources of Electronic Parts. The Federal Government may have additional rights in Items developed with federal funding under government contracts. In compliance with the requirements of California Civil Code Section 1714.43 (California Transparency in Supply Chains Act), when applicable, by accepting this Order, Seller certifies that materials incorporated into Items furnished under this Order comply with the laws regarding slavery and human trafficking of the countries in which it is doing business and Seller will allow Buyer to perform any activities required for verification.
30. **SPECIAL U.S. GOVERNMENT CLAUSES APPLICABLE TO ALL ORDERS:** All Orders shall comply with DFARS 252.244-7000, Subcontracts for Commercial Items, and DFARS 252.225-7009, Restriction on Acquisitions of Certain Articles Containing Specialty Metals.
31. **SPECIAL U.S. GOVERNMENT CLAUSES:** If an Order identifies that it is placed under a U.S. Government firm fixed price prime contract for non-commercial Items, applicable special U.S. Government clauses are found in Attachment A and incorporated by reference into this Order.
32. **SELLER BUSINESS CLASSIFICATION:** If Seller is a U.S. based seller and considered to be an Alaska Native Corporation or Indian Tribe as defined in FAR 52.219-9(b), Seller agrees that Buyer shall receive small business credit for the amount of dollars spent with Seller pursuant to FAR 52.219-9(d)(i-ii). Seller shall comply, as applicable and amended, with FAR 52.219-8 and shall not designate small business credit to another contractor for any amount spent by Buyer.
33. **SEVERABILITY:** If any term of this Order is held invalid or unenforceable for any reason, the remaining terms of this Order shall continue in full force and effect as if this Order had been executed with the invalid portion eliminated, provided the effectiveness of the remaining portions of this Order will not defeat the overall intent of the parties. In such a situation, the parties agree, to the extent legal and possible, to incorporate a replacement clause to accomplish the originally intended effect.
34. **SURVIVABILITY:** The articles or sections of this Order covering warranties, intellectual property indemnity, confidential or proprietary information and property, insurance, indemnification, rights, remedies, and waiver, applicable law, dispute resolution and termination, survivability, severability and entire agreement and all remedies at law and equity including

those expressly stated herein, shall survive the expiration or any termination of this Order. Such termination shall not relieve either party from its obligations which had arisen prior to the termination.

35. **EXAMINATION OF RECORDS:** Seller shall maintain complete and accurate records showing the sales volume of all Items. Such records shall support all services performed, allowances claimed and costs incurred by Seller in the performance of this Order, including but not limited to those factors which comprise or affect direct labor hours, direct labor rates, material costs, burden rates and subcontracted services. Such records and other data shall be capable of verification through audit and analysis by Buyer and be available to Buyer at Seller's facility for Buyer's examination, reproduction, and audit at all reasonable times from the date of this Order until three (3) years after final payment hereunder. Seller shall provide assistance to interpret such data if requested by Buyer. Such examination shall provide Buyer with complete information regarding Seller's performance for use in price negotiations with Seller relating to existing or future Orders for Items, including but not limited to negotiation of equitable adjustments for changes pursuant to Article 6 above and termination claims pursuant to Article 10 above. Buyer shall treat all information disclosed under this Article 35 as confidential, unless disclosure is required to enforce the terms of this Order, or is required by law, regulation, or formal legal process.
36. **NOTICES:** Any notices or reports required by this Order or with respect to the Order shall be considered as having been given or made if mailed by certified or registered mail, return receipt requested, or delivered by a national or international express delivery service, with electronic signature confirmation of receipt, to Buyer or Seller at the addresses on the face of this Order or to:

In the case of Buyer: Rockwell Collins, Inc.
Attn: [Name, Title, Dept.]
M/S XXX-XXX
400 Collins Road NE
Cedar Rapids, IA 52498-0001

In the case of Seller: Seller
Attn:

37. **ENTIRE AGREEMENT; AMENDMENTS:** This Order is intended by Buyer and Seller as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings, written or oral, between the parties, no usage of the trade, and no acceptance or acquiescence in a course of performance rendered under this Order shall be relevant to supplement, explain or be relevant to determine the meaning of the terms of this Order, even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection. No amendment or change shall be binding unless in writing and signed by authorized representatives of each party.