

Rockwell Collins UK Limited

Form 352 UK – General Terms and Conditions of Purchase

GENERAL

The following General Terms and Conditions of Purchase (“Conditions”) shall apply to each line of the Order unless reference to a specific contract is given on that line of the Order, in which case the terms and conditions of that contract shall apply to that line instead. If the header, footer or general area of the Order makes reference to a specific contract, then that reference shall apply to any line in the Order that does not have a reference of its own.

Minor changes to these terms and conditions may be evidenced on the face of the Order in which case such changes will prevail over the equivalent clause herein but without in any way reducing the enforceability of any other clause not so changed.

Any contract between the Buyer and the Seller is conditional upon acceptance of these Conditions by the Seller. They override and exclude any other terms and conditions including the Seller's standard or printed terms and conditions of sale and the Seller understands that such terms and conditions if printed on invoices, order acknowledgements, delivery notes or other documentation shall have no contractual effect. No alteration, amendment or modification shall be valid unless recorded in writing and signed by a duly authorised representative of both parties. If the Seller does not wish to accept these terms and conditions, then the Seller should not accept the Order and should inform the Buyer forthwith.

DEFINITIONS

In these Conditions, the terms given below will have the following meaning:

“Articles” means the Goods, Software and/or Services purchased by the Buyer under the Order.

“Buyer” means Rockwell Collins UK Limited, Unit 730 Wharfedale Road, Winnersh, Wokingham, Berkshire, RG41 5TP registered in England 00543016 and its successors and assignees.

“Intellectual Property” means any intellectual and industrial property recognized by any law including but not limited to patents, utility models, copyrights, authors’ rights, domain names, know-how, drawings, logos, plans, any sort of data, technical notes, prototypes, processes, methods, algorithms, any technical-related documentation, any software, registered designs and other designs.

“Order” means any purchase order placed by the Buyer for the purchase of the Articles and any other documents referenced therein and to which those Conditions shall apply.

“Seller” means the supplier named on the Order.

“Specification” means the description of the Goods and / or Services given in the Order and / or specific contract to which a reference is given on the Order.

Any time counting described herein shall start on the day following the date of the event to which it is related (for example: if an event occurs on 10 January and a terms states “within five days of” that event, then 15 January would be the last day of that period).

1. SPECIFICATION

- 1.1 The Seller shall ensure that all Articles ordered to the Buyer's Specification comply with such Specification current as of the date of this Order unless otherwise specified by the Buyer.

- 1.2 Where the Order requires the Seller to provide a certificate of conformity, quality assurance certificate or other certificate, such certificate must accompany the Goods on delivery and Services at the time of completion or at such other stage of completion as specified in the Order. In the event that such certificate is not provided the Seller shall be liable for any additional costs whatsoever incurred by the Buyer as a result of such lack of provision.
- 1.3 Where the Order makes reference to Rockwell Collins quality documents, the Seller may request these from the Buyer or find copies of these on the terms and conditions page of the Rockwell Collins supplier portal at www.supplycollins.com.

2. CHANGES

- 2.1. The Buyer may at any time, by a written notice, make changes to the Specification, designs or drawings, samples or other description to which the Articles are to conform, to methods of shipment and packaging, to Incoterms, to delivery times or place of delivery.
- 2.2. If such change causes a significant increase or decrease in the cost of, or the time required for, the performance of any part of the work under this Order, the Seller and the Buyer shall agree an equitable adjustment to be made to the price or delivery schedule, or both, and the Order modified accordingly.
- 2.3. If the Seller wishes to make a claim for an adjustment, it must make its claim in writing within thirty days of the receipt of such notice and the Buyer agrees to promptly negotiate with the Seller an equitable settlement of such claim.
- 2.4. Nothing in this Clause 2 shall excuse the Seller from proceeding without delay to perform this Order as changed.
- 2.5. Notwithstanding the fact that the Articles may continue to conform to the Specification, the Seller shall inform the Buyer of any actual or impending material change in the form or function of the Articles. For clarity, any change in software version shall be construed as a material change.

3. DELIVERY

- 3.1. The Seller shall deliver the Goods or complete performance of the Service ("Delivery") at the time specified in the Order or in the case where the Order contains a delivery schedule then at the time specified for each part of the schedule. If no time is specified in the Order, then the Seller shall make Delivery at the earliest time possible consistent with normal execution of its business not incurring any exceptional costs.
- 3.2. The Seller acknowledges that time is of the essence in the performance of the Order by the Seller or the Seller's subcontractor. The Seller shall inform the Buyer promptly of any expected delay in Delivery.
- 3.3. The Seller shall not deliver ahead of schedule unless authorised by the Buyer.
- 3.4. The Buyer and the Seller shall consider Delivery to be complete when all of the following events have occurred:
 - 3.4.1. in the case of Goods, when each and every one of the Goods are delivered to the place specified in the Order or if no place is specified then to Unit 730 Wharfedale Road, Winnersh, Wokingham, Berkshire RG41 5TP and

3.4.2. in the case of Services, when performance of the Services is complete; and

3.4.3. in the case of Software supplied on portable media, when the media containing the Software and associated documentation has been delivered (in the same manner as for Goods); or in the case of Software either installed by the Seller or supplied via electronic transmission (download), when the Software has been installed and tested; and

3.4.4. the Seller has provided any certificate required under Clause 1.2 above, and any shipping documentation necessary to obtain customs or other clearance, if required, and any other documentation specified in the Order; and

3.4.5. the Seller has obtained the Buyer's, the Buyer's agent's or the Buyer's customer's signature of receipt for the Goods and / or completion of Services.

3.5. In the case where the Order contains a delivery schedule then Clause 3.4.1 and Clause 3.4.2 apply shall apply to the quantity specified for each part of the schedule.

3.6. The Buyer's signature given under Clause 3.4.5 above is merely to acknowledge that the Articles have been delivered and does not signify that the Articles have been counted or inspected or are in accordance with the Specification.

4. INCOTERMS and TITLE

4.1. Unless otherwise stated on the Order the Buyer's and the Seller's responsibility in respect of Goods for arrangement of transport and insurance, costs and transfer of risk will be governed by Incoterms 2010.

4.2. Unless otherwise stated on the Order the applicable Incoterms are FCA Sellers Premises at the place specified on the Order or if no place is specified then at Unit 730 Wharfedale Road, Winnersh, Wokingham, Berkshire, RG41 5TP.

4.3. Except if title has previously passed to the Buyer or the Buyer's customers under other provisions of this Order, title to the Goods shall pass to the Buyer upon Delivery.

4.4. In the event that the Buyer makes any payment in advance to enable the Seller to purchase materials in order to manufacture the Goods then title to such materials shall pass to the Buyer at the time of receipt of such materials by the Seller. The risk in such materials shall remain with the Seller until the Goods have become part of or have passed to the Buyer in accordance with Clause 4.3.

5. EXPORT CONTROL

5.1. The Parties acknowledge, that the supply of the Articles hereunder may be subject to national and international export control laws and regulations and that any conditions imposed by such laws and regulations shall be in addition to and take precedence over those imposed herein.

5.2. The Seller shall obtain all necessary export approvals that may be required to supply the Articles to the Buyer. The Buyer shall provide all reasonable assistance in obtaining end-use certificates and the like.

- 5.3. The Seller shall apply for export approvals in a timely manner such that it is able to perform the Order within the required delivery time.

6. CONDITIONS APPLICABLE to GOODS

- 6.1. The Seller shall ensure that Goods are adequately and securely packed and conform with the Buyer's packaging specification referred to in the Order, if any, and marked with the net, gross and tare weights and weight distribution where this is uneven so as to permit efficient handling and to provide protection in shipment and, if tendered to a common carrier for delivery, must also conform to the packaging requirements applicable to such carrier. The Seller shall replace or repair at its own cost or reimburse the Buyer with the cost of third party repair of any damage to Goods resulting from improper packing irrespective of the point at which transfer of risk occurs under Incoterms 2010.
- 6.2. The Seller shall mark each case or parcel with the Buyer's Order number and Order line number and otherwise as the Buyer may specify from time to time and mark the accompanying delivery documents and packing list of contents with the Buyer's Order number and Order line number. If no packing list accompanies the shipment, the Buyer's count will be conclusive on the Seller.
- 6.3. The Seller will not charge the Buyer for transportation, packaging or returnable containers, unless agreed in writing.
- 6.4. The Seller shall consolidate all shipments that are to be forwarded on the same day.
- 6.5. If the Incoterms applicable to this Order are other than DDP or DDU, on date of shipment, the Seller shall send by courier the original bill of lading, air waybill or express receipt referencing this Order number to the Buyer's Shipping Department and one copy of Notice of Shipment referencing this Order number and Order line number to the Buyer's Purchasing Department.
- 6.6. If the value of any single shipment exceeds \$999,999 US Dollars, the Seller shall notify the Buyer's Shipping Department by fax or e-mail at least ten days in advance of shipment.
- 6.7. The Seller should not insure or declare value on shipments beyond the point at which transfer of risk occurs under Incoterms 2010.
- 6.8. Goods furnished in excess of the quantity specified or in excess of any allowable overage will be retained by the Buyer at no additional cost unless the Seller notifies the Buyer within 45 days after Delivery that it desires the return thereof. The Seller will reimburse the Buyer for the full cost of returning such excess quantity and a handling charge of £25 Sterling. The Buyer is not obligated to notify the Seller that an excess quantity has been delivered unless the value thereof exceeds £250 Sterling.

7. CONDITIONS APPLICABLE TO SERVICES

- 7.1. In the case of Services for the repair of items owned by the Buyer or the Buyer's customer, prior to commencing such a repair, the Seller shall:
- 7.1.1. estimate whether the amount to be billed for the repair is likely to be greater than the agreed amount or greater than fifty percent (or other percentage stated in the Order) of the intrinsic or replacement value of the item or in the Seller's opinion is beyond economic repair ("BER") or is irreparable; and

7.1.2. if this is the case, contact the Buyer to obtain its agreement regarding whether and/or how such a repair should proceed and at what cost to the Buyer.

7.2. After completion of the Service and/or at the end of each time period, stage of completion or other payment stage agreed between the parties, the Seller shall submit a Timesheet or Certificate of Completion to the Buyer, the Buyer's agent or the Buyer's customer for signature.

8. CONDITIONS APPLICABLE to SOFTWARE

8.1. The Seller shall carry out tests at its own cost on the Software prior to Delivery to ensure that it is capable of meeting the requirements of the Order and in particular to ensure that it is free from viruses or other malicious software code.

8.2. If the Order includes installation of the Software by the Seller, it shall organise suitable acceptance testing witnessed by the Buyer, the Buyer's agent or the Buyer's customer designed to demonstrate that the relevant Software meets and will perform in accordance with the Specification and Product Documentation following installation.

8.2.1. If in the Buyer's reasonable opinion the Software fails any acceptance test (each failed test being a "Failure") then Buyer shall give the Seller notice of such Failure and the Seller shall promptly make all necessary corrections at its cost and upon completion of such corrections give notice to Buyer. If requested by the Buyer, the Seller shall then re-run the acceptance tests. If there is a Failure that fails a second time then Buyer may at its option and in its discretion: allow the Seller a reasonable period of time to replace or modify the Software so that the acceptance tests can be re-run without Failure and the provision of this Clause shall apply to any repeated run of the acceptance tests as though the tests were being re-run following a first Failure; or cancel the Software and receive a complete refund of any fees paid with respect to the Software; or with the approval of the Seller (such approval not to be unreasonably withheld) declare that the relevant tests have been passed in part which entitles Buyer to use the Software (or relevant part) and make an appropriate reduction in the Price otherwise payable with respect to the Software.

8.2.2. Upon successful completion of the acceptance tests, the Seller shall submit a Certificate of Completion to the Buyer, the Buyer's agent or the Buyer's customer for signature.

8.3. The Seller shall use all reasonable endeavours to notify the Buyer of any developments or upgrades in the Software which may affect, improve or diminish its interface with the Buyer's equipment, products and systems. The Seller shall notify the Buyer should the Seller become aware of any functionality or interface issue which the Seller is unable to resolve in relation to the Software.

8.4. If stated in the Order, the Seller shall within three months of the date of this Order at the Seller's expense enter into an escrow agreement with National Computing Centre Limited in the UK or other organisation stated in the Order to cover all relevant source code not delivered to the Buyer but required for maintenance of the Software on terms that make such source code freely available to the Buyer in the event that the Seller ceases to support the Software without making some other provision for such support.

- 8.5. The Seller hereby warrants that, to the extent that any Software delivered hereunder is designed to process, store and/or display data related to dates and times, such Software shall, without altering or diminishing the Software's other functionality, correctly process, store and/or display such data as applicable, notwithstanding changes in day, week, month, year, decade, century or millennium according to the Gregorian calendar for the lifetime of the Software. In particular the Seller makes this warranty in respect of the problem resulting from the use of a 32 bit integer to represent time and date after 03:14:07 UTC on 19 January 2038 (also known as the Y2K38 issue). This condition shall apply to Goods that contain and rely upon software to function as well as to purchases of Software alone.

9. PAYMENT

- 9.1. The Seller shall mail its invoices to the Buyer's Accounting Department and in the case of Services or Software including a copy of the applicable signed Timesheet(s) or Certificate(s) of Completion.
- 9.2. All invoices shall state the Order number and Order line number and in addition:
- 9.2.1. in the case of Goods, the applicable Incoterms and Incoterms place;
and
- 9.2.2. in the case of Services, the country in which the Services were performed.
- 9.3. The Seller shall not consolidate two or more Orders onto a single invoice.
- 9.4. Unless otherwise specified in the Order, payment shall be made by the Buyer 60 days from the date of receipt by the Buyer of a proper and correct invoice.
- 9.5. Invoices that arrive before delivery of the Articles to which they relate shall be deemed to have been received on the date that Delivery is completed as defined in Clause 3.3 and Clause 3.5 above.
- 9.6. Invoices that relate to Articles that are non-conforming at the time of Delivery shall be deemed to have been received on the date that remediation is completed as defined in Clause 10 below. In the case where the Articles are separable, the Buyer at its sole discretion may choose to pay that part of the invoice that relates to conforming articles even though remediation of non-conforming Articles may be outstanding.

10. INSPECTION

- 10.1. The Seller shall permit the Buyer or its authorised representatives to undertake any inspections or tests it may reasonably require prior to acceptance of the Articles. If any inspection or test is made on the Seller's or the Seller's subcontractor's premises, the Seller shall, without additional charge, provide all reasonable facilities and assistance for the safety and convenience of the Buyer's inspectors.
- 10.2. The Buyer will perform such inspections and tests in such a manner as to not unduly delay the work.
- 10.3. All Articles are also subject to final inspection and acceptance at the Buyer's premises, place of Delivery or other place agreed between the parties notwithstanding any payments or other prior inspections. Such final inspection shall be made within a reasonable time after Delivery.

- 10.4. The review or approval by the Buyer of any work or work in progress hereunder or of any designs, drawings, specifications or other documents prepared hereunder including as a result of testing or inspection by the Buyer under Clause 10.1 or Clause 10.3 shall not relieve the Seller of any of its obligations nor excuse or constitute a waiver of any defects or nonconformities in any Articles furnished under the Order nor constitute a waiver by the Buyer of its rights and remedies hereunder.

11. WARRANTY

- 11.1. Unless otherwise agreed to in writing by the parties, the Seller warrants that:

11.1.1. Goods ordered to the Specification shall conform thereto and to any drawings, standards, samples or other description referred to in the Order; or if not ordered to specifications, will be fit and sufficient for the purpose intended, and that all Goods will be merchantable, of good material and workmanship, within the normal limits of industrial quality and free from defect; and

11.1.2. Services ordered to the Specification shall conform thereto and to any performance standards, service levels or examples contained or referred to in the Order; and in the absence of standards, specification or examples all Services shall be, as a minimum, be performed to the normally accepted levels for that industry.

11.1.3. Software ordered to the Specification shall conform thereto and to any documentation provided by the Seller to describe its functionality, and that it is free from viruses or other malicious software code, and that the documentation (such as user manuals) and computer based training (such as training, tutorials and help modules) supplied with the Software will provide adequate and clear instruction to enable the Buyer and its relevant staff to make proper use of the Software, and that any associated services such as installation or tutor based training will be performed with skill and care to a standard consistent with good practice in the relevant area of the information technology industry.

- 11.2. Such warranties, together with the Seller's service warranties and guarantees, if any, shall include service inspection, test, and acceptance of any payment for the Articles and shall run in favour of the Buyer, its successors, assigns and customers.

- 11.3. No warranty supplied by a third party (such as an original equipment manufacturer or software developer) to the Buyer in relation to any of the Articles or part thereof overrides any warranty given to the Buyer by the Seller.

- 11.4. Except for latent defects, fraud or such gross mistakes of the Seller as amount to fraud, notice of any defect or nonconformity must be given by the Buyer to the Seller within one year after Delivery or receipt of satisfactory qualification test reports, if required hereunder, whichever is later.

- 11.5. At its option, the Buyer may:

11.5.1. reject such Articles in part or in whole; or

11.5.2. require the Seller, at its sole expense, to repair or replace the Goods and / or reperform the Services as soon as possible so that the Articles comply in all respects with the Order and the Specification.

- 11.6. The cost of returning to the Seller any defective or nonconforming Goods and delivery to the Buyer of any corrected or replaced Articles shall be at the Seller's expense.
- 11.7. Repaired, replaced or reperformed Articles shall be subject to the provisions of these Conditions, in particular Clauses 11.1 to 11.6 inclusive, in the same manner and to the same extent as Articles originally delivered under this Order and in so doing such Articles, whether items in their own right or components of larger assemblies, shall enjoy a warranty period of equal duration as the original warranty period but commencing upon delivery of the repaired, replaced or reperformed Articles. For clarity, those components of larger assemblies that were not repaired shall continue to be covered under the period of the original warranty.

12. TERMINATION

12.1. Without prejudice to any other right or remedy of the Buyer, the Buyer shall have the right to terminate this Order by written notice, including fax or e-mail:

- 12.1.1. if the Seller is in material breach or non-observance of any of the terms of the Order or Conditions; or
- 12.1.2. in respect of any Article at any time prior to its Delivery or performance provided that the Buyer shall pay a fair and reasonable price for work in progress at the time of such notice and subsequently received by the Buyer provided that the Buyer shall not be liable for any loss or damage suffered by the Seller including consequential loss or damage in connection with such termination; or
- 12.1.3. if the Seller fails to make any Delivery in accordance with the instructions, terms, conditions or warranties applicable to this Order or fails to make progress so as to endanger performance of the Order in accordance with its terms; or
- 12.1.4. if an event of force majeure as defined in Clause 13 below continues for a period exceeding thirty (30) days and the Seller is unable to demonstrate that this will not endanger performance of the Order in accordance with its terms; or
- 12.1.5. in the event of any proceedings by or against the Seller in bankruptcy or insolvency or appointment of a receiver or liquidator or a winding up order, assignment or composition for the benefit of creditors or be subject to any change in 'control' (meaning that in relation to any company, the beneficial ownership of more than 50% of the issued share capital of, or the legal power to direct or cause the direction of the general management of the ultimate holding company of that company, where 'ultimate holding company' is as defined in the Companies Act 2006) provided that the Buyer shall not be liable for any loss or damage suffered by the Seller including consequential loss or damage in connection with such termination.
- 12.2. At any time during the continuance of this Order the Seller shall supply on the Buyer's request a financial statement relating to the Seller or the Seller's subcontractor for the purpose of determining the Seller's or the Seller's subcontractor's financial position.

- 12.3. In the event of termination the Buyer may perform, produce, purchase or otherwise acquire elsewhere such Articles as are required to complete the Order on such terms or in such manner as the Buyer may deem appropriate and other than termination pursuant to Clause 12.1.2 the Seller shall be liable to the Buyer for any costs in excess of those anticipated in the Order or other reasonable expenses incurred by the Buyer in so doing.
- 12.4. Both Parties understand and agree that the Order is subject to immediate termination upon Rockwell Collins' receiving notice or coming into possession of credible evidence that the provisions of the FCPA or the anti-bribery or anti-corruption laws or regulations of any territory may have been violated by Seller, or by any of its principals, owners, agents, representatives, employees, or their immediate family members.

13. FORCE MAJEURE

- 13.1. Neither party shall be liable for damages for delay in Delivery 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 in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, labour dispute, freight embargoes, public unrest and unusually severe weather.
- 13.2. If such delay is caused by the delay of a subcontractor of the Seller and if such delay arises out of causes beyond the reasonable control of both the Seller and the subcontractor, and without the fault or negligence of either of them, the Seller shall not be liable to the Buyer for damages unless the goods, software or services to be furnished by the Seller's subcontractor could have been obtained from other sources in sufficient time to permit the Seller to meet the required Delivery schedule.
- 13.3. The Seller shall notify the Buyer in writing, within ten days after the beginning of any such cause affecting either it or any subcontractors. During the course of such force majeure event, the Seller shall regularly update the Buyer regarding the likely duration of the event and impact upon its ability to perform the Order.
- 13.4. The Seller agrees that whenever it has knowledge of any actual or potential cause of force majeure that is delaying or threatens to delay the timely performance of the Order, the Seller shall immediately inform the Buyer thereof. The Seller further agrees to insert the substance of this clause in any contract it makes with the Seller's subcontractor.
- 13.5. If the Force Majeure Event prevents the Seller from making delivery under this Contract, the Buyer shall be free to acquire alternative Articles from elsewhere but only to the extent that this is required for the Buyer's immediate business need. At the Buyer's sole decision, the quantity of such replacement Articles shall be deducted from the quantity to be delivered under this Order and there shall be no liability by the Buyer to the Seller for any loss of profit or other loss resulting from this reduction in quantity.

14. RELEASE OF NEWS INFORMATION and ADVERTISING

- 14.1. Unless required by law, neither Party without the prior written consent of the other Party shall make any news release, public announcement, denial or confirmation of all or any part of the subject matter of this Order or any phase of any program hereunder or in any manner advertise or publish the fact that the Buyer had placed this Order.

15. CONFIDENTIALITY

- 15.1. The Parties acknowledge that during the performance of the Order, a Party ("the Receiving Party") may acquire information and materials from the other ("the Disclosing Party") and knowledge about the other's business, products, programming techniques, experimental work, customers, clients, suppliers and financial information, and that all such knowledge, information and materials acquired are and will be the trade secrets and confidential and proprietary information of the Disclosing Party (collectively "Proprietary Information"). Proprietary Information will not include, however, any information that is or becomes part of the public domain through no fault of the Receiving Party or that the Disclosing Party regularly gives to third parties without restriction on use or disclosure.
- 15.2. The Parties further acknowledge that during the performance of the Order, a Party ("the Receiving Party") may acquire information and materials from the other ("the Disclosing Party") of which access and dissemination is controlled under national or international security laws (collectively "Controlled Information").
- 15.3. The Disclosing Party shall mark such information to indicate that it is Controlled Information and ensure that the Receiving Party is aware of the nature of this information and how it must be handled.
- 15.4. The Receiving Party agrees to hold all such Proprietary Information and Controlled Information in strict confidence, not to disclose it to others or use it in any way, commercially or otherwise, except as is necessary in performing the Order, and not to allow any unauthorised person access to it, either before or after expiration or termination of the Order.
- 15.5. The Receiving Party further agrees to take all action reasonably necessary and satisfactory to protect the confidentiality of the Proprietary Information and in the case of Controlled Information such further action as is required by the applicable security laws including, without limitation, implementing and enforcing operating procedures to minimise the possibility of unauthorised use or copying of the Proprietary Information or Controlled Information.
- 15.6. In the event that the Receiving Party is required by law, regulation, court order or investigative demand from a police or other regulatory authority to disclose any Proprietary Information or Controlled Information, the Receiving Party will make commercially prudent endeavours to notify the Disclosing Party as early as possible prior to making any such disclosure in order to facilitate the Disclosing Party in seeking a protective order or other appropriate remedy from the proper authority. The Receiving Party agrees to cooperate with the Disclosing Party in seeking such order or other remedy.
- 15.7. The Receiving Party further agrees that if the requesting legal body is requiring disclosure of Controlled Information, the Receiving Party will make reasonable endeavour to inform the requesting legal body that the information is subject to security laws and strongly request a delay in disclosure until the appropriate approvals have been provided.

- 15.8. The Receiving Party further agrees that if the Disclosing Party is not successful in precluding the requesting legal body from requiring the disclosure of the Proprietary Information or Controlled Information, the Receiving Party will furnish only that portion of the Proprietary Information that is legally required to be disclosed and will exercise reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Proprietary Information or Controlled Information.

16. INTELLECTUAL PROPERTY RIGHTS

- 16.1. The Seller agrees that all Intellectual Property furnished with Articles or required to be furnished by the Order, together with any information furnished orally, shall be free from proprietary restriction. The Seller further agrees not to include any material copyrighted by others in data, information or technical data delivered under the Order without first obtaining, at no additional cost to the Buyer, a license that permits use of such material by the Buyer or the Buyer's customer for the scope and duration that the Articles are to be used for.
- 16.2. Any Intellectual Property which is owned, controlled by or licensed to the Seller, prior to the acceptance of the Order or generated independently from performance of the Order shall be referred to as "Background IP". The Seller hereby grants to the Buyer, the Buyer's agents, Consultants and Sub-Contractors, a royalty- free, nonexclusive, transferable, irrevocable, worldwide license to use, publish, distribute, translate, modify, adapt, sell, support, duplicate, exhibit such Background IP for the purpose of the using and exploiting the Foreground IP or more generally for the performance of the Order, with the right to grant sublicenses.
- 16.3. Any other Intellectual Property created in the performance of the Order shall be referred to as the "Foreground IP". Such Foreground IP upon creation shall be the property of the Buyer solely and any Intellectual Property rights or copyright thereof shall be the property of and vest in the Buyer.

17. BUYER'S PROPERTY

- 17.1. All property used by the Seller or the Seller's subcontractor in connection with the Order which is owned, furnished, charged to or paid for by the Buyer including, but not limited to, materials, tools, dies, jigs, moulds, patterns, fixtures, equipment, drawings and other technical information, specifications and any replacement thereof ("Property") shall be and remain the property of the Buyer subject to removal and inspection by the Buyer at any time without cost or expense to the Buyer and the Buyer shall have free access to the Seller's or the Seller's subcontractor's premises for the purpose of inspecting or removing such Property.
- 17.2. All Property shall be identified and marked as the Buyer's property, used only in connection with performance of an Order from the Buyer and adequately insured by the Seller or the Seller's subcontractor whilst in its possession at its expense for the Buyer's protection.
- 17.3. The Seller shall assume all liability for and maintain, repair and keep safe such Property and, except for Property that is intended for consumption or modification under this Order, return the same to the Buyer in its original condition, reasonable wear and tear excepted, and when such Property is no longer required hereunder, the Seller shall furnish the Buyer with a list thereof and shall comply with any the Buyer disposition instructions applicable thereto.

- 17.4. The Buyer shall not be obligated to pay any invoice for tooling, dies, jigs or moulds until the first conforming item produced therefrom has been inspected and accepted by the Buyer.
- 17.5. Materials furnished by the Buyer on other than a charge basis in connection with this Order shall be deemed to be held by the Seller as bailee thereof.
- 17.6. The Seller agrees to pay the Buyer's replacement cost for all Property damaged, spoiled or otherwise not satisfactorily accounted for over and above a proportion, if any, specified in the Order as allowance for scrap loss.

18. GRATUITIES

- 18.1. The Buyer shall be entitled to terminate this Order and to recover from the Seller the amount of any loss resulting from such termination if the Seller or any person employed by it or acting on its behalf (whether with or without the knowledge of the Seller) shall have offered or given or agreed to give any gift or consideration of any kind to any of the Buyer's employees, agents or representatives or any Government official or give any gratuity or political contribution to any political party as an inducement or reward for doing or forbearing to do any action with a view toward securing this Order or any other contract with the Buyer or securing favourable treatment with respect thereto.

19. INDEMNITY

- 19.1. The Seller shall indemnify and hold the Buyer harmless against all damages, costs and expenses incurred by the Buyer as a result of the Buyer being required:
 - 19.1.1. to recall from the Buyer's customers or others any Articles furnished hereunder or any end product employing any such Articles as a part or component thereof or being a device with any such Article; and
 - 19.1.2. to repair, replace or refund the purchase price of such Articles or end product to the extent that such recall and such repair, replacement or refund is based upon a defect, whether of design or manufacture in the Articles furnished by the Seller or the failure of such Articles to conform to any standard to which such Articles are required by law to conform or the failure of the Articles to conform to any specification or standard to which it is ordered or being supplied in breach of the warranty contained in Clause 10 above.
- 19.2. In the event that the Seller's Articles shall not be the sole cause for such action by the Buyer, then the Buyer shall apportion its costs, damages and expenses in such manner as it shall determine in its sole judgement is reasonable and equitable.
- 19.3. Seller shall fully indemnify and reimburse Rockwell Collins UK Limited, its parent, subsidiaries and permitted successors and assigns, for any fines, penalties, or any other damages or costs levied against or incurred by Rockwell Collins due to legal or administrative action, investigations or requirements imposed by any government agency or instrumentality resulting from seller's violation of any applicable law hereunder, including but not limited to, the FCPA or any anti-bribery or anti-corruption law or regulation of any territory in which the seller provides services.

20. PATENT INDEMNITY

- 20.1. The Seller agrees that it will defend, at its own expense, all suits against the Buyer for infringement of any patent or copyright covering, or alleged to cover, the Articles described herein in the form sold or used by the Seller and the Seller agrees that it will pay all sums which, by final judgment or decree in any such suits, may be assessed against the Buyer on account of such infringement, provided that Seller shall be given:
- 20.1.1. immediate written notice of all claims of any such infringement and of any suits brought or threatened against Buyer; and
 - 20.1.2. authority to assume the sole defence thereof through its own counsel and to compromise or settle any suits so far as this may be done without prejudice of the right of the Buyer to continue the use, as contemplated, of the Articles so purchased; and
 - 20.1.3. all necessary information and reasonable cooperation required to defend any suit is provided by Buyer.
- 20.2. If in any such suit so defended the Articles are held to constitute an infringement the Seller shall:
- 20.2.1. if the Buyer agrees that the replacement Article is acceptable in meeting the Specification, replace the same with non-infringing Articles or modify said Articles so as to be non-infringing; or
 - 20.2.2. if it is not possible to replace or modify the Articles, then to procure the right to use the infringing Articles in order to enable performance of the Order and/or use of the Articles after Delivery.
- 20.3. The Buyer does not grant indemnity to the Seller for infringement of any patent or other Intellectual Property rights.

21. INSURANCE

- 21.1. During the term of this Order, the Seller shall maintain, as a minimum, the following insurance coverage in form and amounts reasonably satisfactory to the Buyer:
- 21.1.1. Employer's Liability Insurance or its equivalent in the countries where the work is performed; and
 - 21.1.2. Public Liability Insurance for such sum as the Buyer deems to be appropriate but not less than £5 million Sterling for any one incident; and
 - 21.1.3. in respect of any Goods provided, where the Seller is the manufacturer, appropriate Product Liability Insurance; where the Seller is not the manufacturer, the Seller shall ensure that the manufacturer shall have such insurance; and
 - 21.1.4. in respect of any Services provided, appropriate Professional Indemnity Insurance.
- 21.2. If the Articles are subject to airworthiness certification pursuant to any government regulatory agency ("Aircraft Products") or in and of themselves could be considered an aircraft product, the Seller shall, as a minimum, also maintain coverage for liability in an amount not less than \$25 million US Dollars per occurrence and in the aggregate covering bodily injury or property

damage sustained by any person caused by failure of the Articles to meet or perform according to the Specification. Such insurance may be provided by:

- 21.2.1. an Aircraft Products Liability Insurance policy; or
 - 21.2.2. the endorsement of the Product Liability Insurance policy described in Clause
 - 21.1.3 to include coverage for aircraft products.
- 21.3. The Seller shall ensure that all such insurance must be underwritten by insurance companies with a minimum rating by AM Best of "A-" (A minus) or other rating equivalent and licensed to conduct business in all countries where performance of the Order or use of the Articles shall apply.
- 21.4. On request by the Buyer, the Seller shall provide the Buyer with evidence that the required insurance(s) are in place within:
- 21.4.1. five working days of accepting the Order or prior to commencing performance thereof if this is earlier; and
 - 21.4.2. ten days following each policy renewal.
- 21.5. The Seller shall provide thirty days written notice to the Buyer in the event of policy cancellation or a material reduction in the level of cover insured.
- 21.6. Subject to the Buyer's permission for the Seller to utilise subcontractors, the Seller is obligated to assure that each such subcontractor maintains all of the above coverage. In the event that any such subcontractor or its insurers fail or are unable to honour the indemnification obligations of the Seller to the Buyer as stated in these Conditions in any manner, the Seller agrees to assume such obligations of the subcontractor.
- 21.7. It is specifically agreed that the types and amounts of insurance requested above shall not limit or otherwise affect the Seller's obligation to indemnify and hold the Buyer harmless as provided by the Indemnification provisions stated in these Conditions.
- 21.8. Failure of the Seller to maintain the insurance coverage and limits required by the Buyer shall be considered a material breach hereof.

22. CONTROL OF CHEMICAL AND HAZARDOUS SUBSTANCES

- 22.1. The Seller warrants that it has a 'nil return' in respect of the use of substances controlled under Groups 1 and 2 of Annex A and Groups 1, 2 and 3 of Annex B of the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer and its later revisions and undertakes that no such substances shall be incorporated into goods supplied or used in carrying out the work under this Contract.
- 22.2. Seller shall notify Buyer of every Item ordered hereunder which contains material hazardous or injurious to the health or physical safety of persons even though said hazard or injury may only occur due to mishandling or misuse of the article. In addition, Seller shall identify the hazardous or injurious material and notify Buyer of the effects of such material on human beings and the physical manifestations that could result. For each article so identified, Seller shall supply Buyer warning labels or instructional material appropriate to warn persons coming in contact therewith of the hazard and its effects. The

same shall apply, if Seller's products contain Substances of Very High Concern (SVHC) as defined in the EU Directive 1999/45/EC and the Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18th December 2006 concerning Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). Notification under REACH shall include:

- (i) Pre-registration statement concerning substance/preparation and Seller's own supply chain.
- (ii) Information on classification of delivered substances (alone or in articles) as SVHC (specific notification requirement)
- (iii) Contractual warranty that supply will not be impacted by non-fulfilment of REACH requirements (registration of substances, authorisation of SVHC).

22.3. Seller will comply with all European and National Laws and Directives and upon Buyer's request provide Buyer free of charge with all information and documentation that Buyer might need for responding on the demands of all current and future EC and National Directives and Laws. The Seller recognises that failure to comply with this provision shall be a material breach of the contract and grounds for Termination in accordance with Clause 12.1.1 above.

23. BEST PRICE

23.1. The Seller represents that the prices charged for the Articles covered by the Order are the lowest prices charged by the Seller to its customers of the same type as the Buyer under conditions similar to those specified in the Order and that prices comply with applicable government regulations in effect at time of quotation, sale or delivery.

23.2. The Seller agrees that any price reduction made in the Articles covered by the Order subsequent to its placement but prior to payment will be applicable to it.

24. ASSIGNMENTS and NOVATION

24.1. The Seller may not assign or novate this Order nor any rights or obligations herein nor may the Seller subcontract in whole or in part the performance of its duties hereunder without in each case the Buyer's prior written consent.

24.2. The Seller shall not subcontract the Delivery of Articles under this Order to any third party without obtaining the prior written permission of the Buyer.

24.3. If consent is given by the Buyer then the Seller shall ensure that any permitted successors, assignees or subcontractors of the Seller are bound by the terms and conditions of the Order to the same extent as the Seller.

24.4. Any consent by the Buyer to assignment or novation shall not be deemed to waive the Buyer's rights to recovery and / or settlement of claims arising out of this or any other transactions with the Seller, its divisions, affiliates or subsidiaries, or to settle or adjust matters with the Seller without notice to permitted successors, assignees or subcontractors.

25. SEVERABILITY

25.1. If any provision of this Order is held by a competent Court to be invalid, illegal or unenforceable for any reason or in any respect whatsoever such invalidity, illegality or unenforceability shall not affect the other provisions of this Order and this Order shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

- 25.2. The Buyer and the Seller hereby agree however to use reasonable endeavours to negotiate an equitable amendment to this Order if a material provision is so affected.

26. RIGHTS REMEDIES and WAIVER

- 26.1. The rights and remedies provided herein shall be cumulative, and in addition to any other rights and remedies provided by law or equity. A waiver of a breach by either Party of any provision hereof shall not constitute a waiver of any other breach.

27. LAW and DISPUTES

- 27.1. The Order and these Conditions shall be governed by and construed in accordance with the Laws of England.
- 27.2. The Parties hereby expressly agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply to this Order.
- 27.3. No term contained herein is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is neither the Seller nor the Buyer (including any employee, officer, agent, representative, customer or subcontractor of either Party).
- 27.4. The Parties shall attempt to solve any dispute arising out or in connection with this Order by means of alternative dispute resolution such as but without limitation mediation or mini-trial. Upon the occurrence of the dispute, the Parties shall define the type and the rules for the implementation of such alternative resolution.
- 27.5. The Parties expressly agree that after a period of two months after the occurrence of the dispute and provided that the dispute remains unsolved, it shall be finally settled under the rules of Arbitration of the London Court of International Arbitration by one or more arbitrators appointed in accordance with the said Rules. The place of arbitration shall be London UK. The language of arbitration shall be English.
- 27.6. The arbitration award shall be binding to both Parties and the Parties hereby agree to exclude the right of appeal to the High Court under section 69 of the Arbitration Act 1996 and the right for an application to be made to the High Court under the corresponding section of the Act.
- 27.7. The cost of arbitration shall be borne by the Parties as determined in the arbitration award according to the said Rules.
- 27.8. The Seller warrants that it and its supply chain is fully compliant with the provisions of the Modern Slavery Act 2015 and shall provide an overview of how compliance is achieved and maintained to the Buyer upon his request.

28. STANDARDS OF BUSINESS CONDUCT

28.1. Rockwell Collins is committed to conducting its business with the highest standards of ethics and in accordance with the laws of England and the United States and of any other territory in which services are provided. Rockwell Collins expects that Seller will similarly operate with the highest standards of integrity. In the event Seller does not have its own Ethics policy, Seller, for itself and on behalf of its employees, agents and representatives, agrees to read, understand, and comply with Rockwell Collins Company Standards of Business Conduct (Policy) found at <http://www.rockwellcollins.com/about/ethics/index.html>. Seller shall immediately notify Rockwell Collins through its reporting mechanism outlined in the Policy or at Ombudsman@rockwellcollins.com of any instance in which the Policy or any law or regulation may have been violated by employees or agents of Rockwell Collins during the execution of the Order.

- 28.2. Seller agrees to comply with Anti-Corruption Laws (defined below) and shall not cause Seller or Rockwell Collins to take any action that may result in Seller and/or Rockwell Collins to be in violation of any Anti-Corruption Law or the Company's Standards of Business Conduct.
- 28.3. Seller understands that "Anti-Corruption Laws" mean collectively (i) the FCPA, (ii) the United Kingdom Bribery Act 2010, (iii) the anti-bribery and anti-corruption laws of any territory in which Seller operates, and (iv) all other applicable laws, regulations, orders, judicial decisions, or conventions regarding corruption and/or bribery, in the territory or under the jurisdiction of the territory, including but not limited to, ethical business conduct, money laundering, political contributions, gifts and gratuities, payments to public officials and private sector persons, agency relationships, commissions, lobbying, books and records, and financial controls.
- 28.4. Seller certifies and warrants that in the course of performing Services under the Order, no improper or corrupt payments will be made to government officials, customer or supplier representatives, that no government official or third party representative has any direct or indirect investment and/or ownership interest or interest in the business, revenues or profits of Seller, and that no expenditure shall be made by Seller for other than lawful purposes.