

**SUPPLEMENT DH
FLOWDOWN CLAUSES
Z06 PROGRAM
WBS AG-004454**

Special government terms and conditions for the Z06 Program include the following regulations, in addition to Honeywell General Terms and Conditions (Supplemental Purchase Order Provisions under U.S. Government Contracts, Form G10026 2/09). The Federal Acquisition Regulations (FAR) clauses incorporated herein are those in effect as of the date of the federal prime contract. The following clauses of the FAR and DFAR Supplements (DFARS) are incorporated herein by reference and made a part thereof. In the following clauses, except in contexts where the terms are normally defined (audit, patent, and data rights to the Government), terms are to be substituted to make these clauses applicable to this order, as follows:

"GOVERNMENT" and "CONTRACTING OFFICER" mean Buyer, Honeywell International, Inc.
"CONTRACTOR" means Seller, the Supplier with whom this Subcontract is placed.

"SUBCONTRACTOR" and "SUBCONTRACT" mean Seller's subcontractors and subcontracts under this subcontract. "SUBCONTRACT" includes purchase orders.

"CONTRACT" and "THE CONTRACT" mean this Subcontract.

"PRIME CONTRACT" means a contract with the U.S. Government that is related to this Subcontract.

"FAR" means the Federal Acquisition Regulation in effect on the date of this Subcontract or the dates given below.

"CONTRACTING AGENCY" and "AWARDING AGENCY" mean the agency of the Government that issued the prime contract.

In addition, all changes necessary to give buyer (with respect to seller) the same rights the Government (with respect to buyer) possesses in the cited clauses shall be deemed in effect.

FAR CLAUSES APPLICABLE TO THIS ORDER IRRESPECTIVE OF THE AMOUNT OF THE ORDER (Except as noted)

Clause	Clause Description	Applicability	Date
52.203-10(*)	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	>\$100k	1/97
52.203-5	COVENANT AGAINST CONTINGENT FEES	>\$100k	4/84
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity.	>100k	1/97
52.204-4	Printed or Copied Double-Sided on Recycled Paper.	>100k	8/00
52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA <i>(Applies if Certified Cost and Pricing Data is required. In subdivision (3) of paragraph (a), insert "of this order" after "price or cost. In paragraphs (c)(1), (c)(1)(i) " Contracting Officer" means "Contracting Officer or Buyer". In paragraph (c)(2)(i)(A) delete "to the Contracting Officer". In paragraph (c)(2)(ii)(B), "Government" means "Government or Buyer".</i>	>\$650k	10/97

52.215-11	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA - MODIFICATIONS	>\$650k	10/97
52.215-16	FACILITIES CAPITAL COST OF MONEY	All	6/03
52.215-17	WAIVER OF FACILITIES CAPITAL COST OF MONEY (<i>Applies if 52.215-16 is not applicable.</i>)	All	10/97
52.215-20	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA	>\$650k	10/97
52.215-21	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA – MODIFICATIONS	>\$650k	10/97
52.215-22	INTEGRITY OF UNIT PRICES (If this order is neither a commercial item nor at or below the simplified acquisition threshold, paragraph (b) shall not apply.) “Contract” shall mean subcontract in paragraph (3).	>\$100k	10/09
52.215-23	LIMITATIONS ON PASS-THROUGH CHARGES	>\$100k	10/09
52.216-11	COST CONTRACT-NO FEE, <i>Alt I applies to research and development orders with an educational institution or a nonprofit organization.</i>	All	4/84
52.216-7	ALLOWABLE COST AND PAYMENT	Cost Reimbursable	12/02
52.216-8	FIXED FEE (<i>Applies if identified on the faceplate of this order as a Cost Plus-Fixed-Fee (CPFF) or Cost-Plus—Award-Fee (CPAF) order. “Schedule” means “order”. If CPAF order, the term “fixed-fee” shall be deemed to mean “fee”.</i>)	All	12/02
52.219-16	Liquidated Damages - Subcontracting Plan.	>\$550k	1/99
52.219-8*	Utilization of Small Business Concerns	>\$3k	5/04
52.219-9	Small Business Subcontracting Plan.	>\$550k	4/08
52.222-19	CHILD LABOR – COOPERATION WITH AUTHORITIES AND REMEDIES (“Government” means “Government”)	>\$100k	2/08
52.222-3	Convict Labor.	>\$2,500	6/03
52.222-26*	Equal Opportunity	>10k	3/07
52.222-35*	Affirmative Action for Special Disabled and Vietnam Era Veterans	All	12/01
52.222-36*	Affirmative Action for Handicapped	All	6/98
52.222-39*	Notification of Employee Rights Concerning Payment of Union Dues or Fees	>\$3k	12/04
52.223-11	OZONE DEPLETING SUBSTANCES	All	5/01
52.223-16	IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products.	All	12/07
52.223-5	Pollution Prevention and Right-to-Know Information.	All	8/03
52.223-6(*)	DRUG FREE WORKPLACE (Applies if the dollar value exceeds the simplified acquisition threshold and is expected to be awarded to other than an individual.	>\$100k	5/01
52.227-21	Technical Data Declaration, Revision, and Withholding of Payment-Major Systems.	All	12/07
52.227-22	Major System - Minimum Rights.	All	6/87

52.228-7	Insurance - Liability to Third Persons.	All	3/96
52.229-10	STATE OF NEW MEXICO GROSS RECEIPTS AND COMPENSATING TAX (Applies if criteria in 29.401(b)1-3 is met)	Cost Reimbursable; Personal Property. Titled in NM	4/03
52.230-2	COST ACCOUNTING STANDARDS (Delete paragraph (b))	>\$650k	4/98
52.230-3*	DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (Delete paragraph (b). In paragraph (c) "Government" means "Government".)	>\$650k	4/98
52.230-6	ADMINISTRATION OF COST ACCOUNTING STANDARDS	>\$650k	4/05
52.232-17	Interest.	>\$100k	10/08
52.232-20	LIMITATION OF COST (<i>Applicable when order is fully-funded at commencement of performance.</i>)	All	4/84
52.232-22	LIMITATION OF FUNDS (<i>Applicable when order is partially-funded at commencement of performance. "Schedule" means "order".</i>)	All	4/84
52.232-24	Prohibition of Assignment of Claims.	All	1/86
52.232-25	Prompt Payment.	All	10/08
52.232-9	Limitation on Withholding of Payments.	All	4/84
52.234.4	Earned Value Management System	52.234-4 (g)	7/06
52.242-1	Notice of Intent to Disallow Costs.	All	4/84
52.242-3	Penalties for Unallowable Costs.	>\$650k	5/01
52.242-4	Certification of Final Indirect Costs.	All	1/97
52.244-2	SUBCONTRACTS	>\$3k	6/07
52.244-5	COMPETITION IN SUBCONTRACTING	>\$100k	12/96
52.246-23	Limitation of Liability	>\$100k	2/97
52.246-24	Limitation of Liability - High-Value Items.	>\$100k	2/97
52.246-25	Limitation of Liability - Services.	>\$100k	2/97
52.246-3	INSPECTION OF SUPPLIES - COST REIMBURSEMENT	Cost Reimbursable	5/01
52.246-5	INSPECTION OF SERVICES - COST REIMBURSEMENT	Cost Reimbursable	4/84
52.246-8	Inspection of Research and Development – Cost Reimbursement	Cost Reimbursable R&D	5/01
52.247.34	F.O.B. Destination	All Fixed Price	11/91
52.247-64*	Preference for Privately Owned US Flagged Commercial Vessels.	All	2/06
52.249-14	EXCUSABLE DELAYS	Cost Reimbursable	4/84
52.249-6	TERMINATION (COST-REIMBURSEMENT)	Cost Reimbursable	5/04
52.253-1	Computer Generated Forms.	All	1/91

(*) Note: These clauses are applicable except for commercial items and commercial components.

Additional Contract Imposed Supplemental Requirements

Counterfeit Parts

For purposes of this clause, Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies) provided to HONEYWELL or HONEYWELL's customers. "Counterfeit Work" means Work that is or contains items intentionally misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair prior to delivery, but is intentionally altered and misrepresented as satisfying express contract requirements. SELLER shall only purchase products to be delivered or incorporated as Work to HONEYWELL directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by HONEYWELL. SELLER shall promptly notify HONEYWELL with the pertinent facts if SELLER has reason to believe that it has furnished Counterfeit Work. When requested by HONEYWELL, SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Additionally SELLER shall reimburse HONEYWELL's reasonable costs of removing Counterfeit Work, of reinserting replacement Work, and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies HONEYWELL may have at law, equity or under other provisions of this Contract. This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Contract addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails. SELLER shall include this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to HONEYWELL.

EXPORT OF TECHNICAL DATA - ITAR (22 CFR, Part 120-130)

Seller represents and warrants that no technical data furnished to it by Buyer or developed by Seller directly from such data during performance of the work under this order will be disclosed to any foreign national, firm, or country, including foreign nationals employed by or associated with the United States, without first complying with the licensing, approval, and all other requirements of the U.S. export control laws, regulations, and directives, including but not limited to the Arms Export Control Act (22 USC 2778), International Traffic in Arms Regulation (22 CFR, Part 120-130), Export Administration Act (50 USC 2401-2410 as amended), Export Administration Regulations (15 CFR Part 730-799), DoD Directive 5230.25 Withholding of Unclassified Technical Data From Public Disclosure. (b) Seller will obtain the written consent of Buyer prior to submitting any request for authority to export any such technical data. (c) Seller will indemnify and hold harmless Buyer for all claims, demands, damages, costs, fines, penalties, attorneys' fees, and all other expenses arising from failure of Seller to comply with this Clause.

COMPLIANCE WITH OCCUPATIONAL SAFETY AND HEALTH ACT (OSHA)

If Seller furnished equipment, goods or materials pursuant to this order, such equipment, goods, or materials shall comply with the Occupational Safety and Health Act of 1970 and regulations issued pursuant thereto. Seller agrees to repair, modify or replace any equipment, goods, or materials not complying with OSHA at its sole cost and expense and to hold harmless and indemnify Buyer from any liability and expense (including attorney's fees) by reason of property damage or personal injury (including death) occasioned in whole or in part from a violation of OSHA standards.

BANKRUPTCY

In addition to the rights set forth in FAR 52.249-6, Buyer may terminate this order for default, in whole or in part, by written notice to the Seller if (i) the Seller becomes insolvent or makes a general assignment for the benefit of creditors or (ii) a petition under any bankruptcy act or similar statute is filed by or against the Seller and not vacated within ten days after it is filed.