

**Attachment nr 1: Terms & Conditions of Purchase of the Equipment**

- 1.0. **DEFINITIONS AND GENERAL PROVISIONS:** Agreement ("**Agreement**") means a mutual declaration of will signed by UTC AEROSPACE SYSTEMS WROCLAW sp. z o.o. ("UTC AEROSPACE SYSTEMS WROCLAW") and the Supplier, where UTC AEROSPACE SYSTEMS WROCLAW agrees to purchase equipment specified therein and the Supplier agrees to sell such equipment. In order to be valid the Agreement needs the Terms and Conditions of Purchase ("**Terms and Conditions**") to be referred to and also it needs to include, without limitation:
- a) deliverable items and quantities;
  - b) price, funds and terms of payment for each item;
  - c) delivery schedule;
  - d) applicable terms and conditions with any exceptions or amendments;
  - e) applicable Specifications with any exceptions or amendments.
- 1.1. Purchase Order – means an administrative and accounting document issued by UTC AEROSPACE SYSTEMS WROCLAW including date identifying deliverable items and quantities, price, funds and terms of payment for each item refer to Terms and Conditions and specifications and the Schedule of Delivery. The Purchase Order shall be raised in case of standard purchases in accordance with Terms and Conditions.
- 1.2. Equipment means the complete set of goods and services to be purchased under the Agreement including the machinery, controls, control system, software licenses, hardware, manuals, trainings and any other information or material required for its operation or maintenance. Unless otherwise specified, the Equipment must meet the requirements of any Specifications in all respects.
- 1.3. Procurement Specification (Specification) means the Specification(s) which fully describes the Equipment including, without limitation, its form, function, performance requirements and acceptance criteria.
- 1.4. The Order of UTC AEROSPACE SYSTEMS WROCLAW constitutes an independent offer that can be accepted by the Supplier only without any changes and without any reservations, and does not constitute acceptance of any previous offer of the Supplier. Thus, all terms and conditions proposed by the Supplier, as described in the offer, acceptance of order, invoice or other statement of the Supplier, including, in particular, Supplier's general terms and conditions of sale and any other provision regulated by these Terms and Conditions or by the Order herein are hereby rejected. Article 385(4) § 1 of the Polish Civil Code shall not apply and these Terms and Conditions may be modified only by written agreement executed by both parties.
- 2.0. **PRELIMINARY AND/OR PARTIAL ACCEPTANCE:**
- 2.1. Preliminary acceptance of the Equipment at manufacturer's plant may be required prior to shipment to UTC AEROSPACE SYSTEMS WROCLAW. For this purpose, Supplier must give UTC AEROSPACE SYSTEMS WROCLAW a minimum of two weeks' notice before the Equipment is ready for preliminary inspection and preliminary acceptance shall occur according to timeline as indicated in the Schedule attached to the Agreement or Purchase Order. Said acceptance must be performed in accordance with the Agreement or Purchase Order. A **CERTIFICATE OF PRELIMINARY ACCEPTANCE** (sample attached) will be issued by Parties.
- 2.2. Partial acceptance of the Equipment may be required before installation of the Equipment at UTC AEROSPACE SYSTEMS WROCLAW premises, but after its delivery to UTC AEROSPACE SYSTEMS WROCLAW. It shall occur according to timeline as indicated in the Schedule attached to the Agreement or Purchase Order. A **CERTIFICATE OF PARTIAL ACCEPTANCE** (sample attached) will be issued by Parties.
- 3.0. **DELIVERY:** Delivery must be made, DDP at the UTC AEROSPACE SYSTEMS WROCLAW plant at ul. Bierutowska 65-67 in Wrocław according to INOCTERMS 2010 (with customs clearance, if applicable). Upon delivery, a **CERTIFICATE OF DELIVERY** (sample attached) will be issued by Parties. UTC AEROSPACE SYSTEMS Wrocław Warehouse employee shall be authorised to sign CERTIFICATE OF DELIVERY on behalf of UTC AEROSPACE SYSTEMS Wrocław unless someone else from UTC AEROSPACE SYSTEMS Wrocław is authorised by the Agreement or Purchase Order to do so.
- 3.1. Supplier's shipper should contact UTC AEROSPACE SYSTEMS WROCLAW Purchasing Dept. to arrange a mutually agreeable border crossing point, time and broker, and to discuss customs documentation requirements. Supplier will comply with any UTC AEROSPACE SYSTEMS WROCLAW Purchasing Dept. requirements in that regards.
- 3.2. Supplier must ensure that the Equipment is adequately crated or skidded and preserved to prevent, among others, damage and corrosion during transport.
- 3.3. As UTC AEROSPACE SYSTEMS WROCLAW may require a rental crane for unloading when the gross weight of any crate or skid exceeds 4.5 tones, written notice of a minimum of one week prior to such a shipment, must be given to the UTC AEROSPACE SYSTEMS WROCLAW Supply Chain Manager.
- 3.4. Crates of the weight exceeding 4.5 tonnes must not arrive later than noon on a normal working day, failing which, delays or refusals at the receiving dock may result. In such case, any additional "truck waiting time" will be Supplier's responsibility.
- 3.5. Unless otherwise stipulated in the Agreement or Purchase Order, all deliverables should be shipped together at one time (no partial shipments).
- 3.6. Delivery will be in accordance with the schedule indicated on the Agreement or Purchase Order.
- 3.7. In case of delivery delays beyond the above schedule UTC AEROSPACE SYSTEMS WROCLAW shall be entitled to charge and Supplier accepts contractual penalties in the amount of 0,75 % of the total price in the Agreement or Purchase Order gross value per full week, for a maximum of thirteen (13) weeks, or at UTC AEROSPACE SYSTEMS WROCLAW's option, and in addition to any other rights UTC AEROSPACE SYSTEMS WROCLAW may have under such circumstances, the Agreement or Purchase Order may be cancelled at no cost to UTC AEROSPACE SYSTEMS WROCLAW. In case the damages exceeds the agreed contractual penalties, UTC AEROSPACE SYSTEMS WROCLAW

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may legally claim, in addition to the damages described in this paragraph, any and all other damages allowed by the general terms of the Civil Code.

- 4.0 **TITLE:** : Title to the Equipment shall pass to UTC AEROSPACE SYSTEMS WROCLAW upon signing the Final Acceptance Protocol.
- 5.0 **FORCE MAJEURE:** Neither party shall be responsible for delay in performance of the Agreement or Purchase Order which results from Force Majeure. The delayed party shall take every reasonable effort to reduce such delay.
- 5.1 In the event of Force Majeure, the delayed party shall give timely notice to the other of any such event and shall specify its duration, if possible
- 5.2 In case the occurrence of the Force Majeure shall delay the performance of the Agreement or Purchase Order by at least one month, the Parties shall meet and consider steps to be taken. However, UTC AEROSPACE SYSTEMS WROCLAW reserves a right to terminate the Agreement if, due to the purpose of the Agreement known to the Supplier and due to the specificity of the commitment, performance of the Service becomes impossible or unimportant for UTC AEROSPACE SYSTEMS WROCLAW.
- 6.0 **INSTALLATION, COMMISSIONING:** UTC AEROSPACE SYSTEMS WROCLAW shall supply services, labor, and equipment (except any unique or specialized tools or equipment) for unloading, moving to site of its usage and initial installation of the Equipment in accordance with Supplier's instructions.
- 6.1. The Parties will sign **CERTIFICATE OF DELIVERY** regarding unload, move to site of its usage and initial installation of the Equipment (sample attached) according to point 3.0 above.
- 6.2. Supplier shall provide a representative who will be responsible for installation verification, alignments/calibrations, Final Acceptance tests and commissioning of the Equipment, including training for:
- programmer;
  - operator;
  - maintenance personnel (mechanical, electrical, & electronic).
- 7.0 **INSURANCE AND LIABILITY:** The Supplier agrees to provide and maintain for the period of execution of this Agreement or purchase order and for the warranty period, as a minimum, the following insurance covering all work performed under this Agreement or purchase order:
- insurance against accidents at work of Supplier's employees, covering performing work outside the seat of the employer in the amount of at least PLN 500,000.00 per occurrence;
  - insurance against civil liability connected with all business activities in the amount of minimum (for all damages and as a total limit for damages caused in a single occurrence) PLN 3,000,000.00, including in particular responsibility for:
    - damage to the property of third parties, including for damage caused by subcontractors of the Supplier and the property entrusted,
    - for the product produced by the Supplier, including for damage caused by the product and in the product produced by the Supplier,
    - performance of contractual obligations,
    - damage to property,
    - bodily injury, including death benefit as a result of an accident.
- Additionally Supplier declares that:
- will provide UTC AEROSPACE SYSTEMS WROCLAW with copy of the current certificate of insurance on the day of entering in to the Agreement or issuing purchase order at the latest;
  - will provide UTC AEROSPACE SYSTEMS WROCLAW with copy of the new certificate of insurance at least 2 weeks prior to the expiry of the previous one;
  - in case where the insured is more than one person / entity, the certificate of insurance will apply as if each person / entity was separately insured.
- 7.0. Without limiting the powers UTC AEROSPACE SYSTEMS WROCLAW on the general principles of the Civil Code, in addition to responsibility for the proper execution of this Agreement or purchase order, the Supplier is liable for any damage arising in connection with the execution of this Agreement or purchase order including, in particular, for damages to UTC AEROSPACE SYSTEMS WROCLAW's property, for personal injury, for damages caused by a product manufactured by the Supplier, as well as damage to that product. Supplier is responsible as for its own actions for the acts and omissions of its contractors, subcontractors or co-workers, even if they are professionals engaged in the performance of activities of this kind.
- 8.0 **FINAL ACCEPTANCE:** Final acceptance by UTC AEROSPACE SYSTEMS WROCLAW is required after installation of the Equipment at UTC AEROSPACE SYSTEMS WROCLAW in accordance with the Agreement or Purchase Order. Such Acceptance must be conducted according to the conditions as stipulated in the Agreement or Purchase Order and shall occur within 30 days after receipt of the Equipment at UTC AEROSPACE SYSTEMS WROCLAW unless delayed for reasons under UTC AEROSPACE SYSTEMS WROCLAW's responsibility. For each 24 hours of delay in final acceptance for reasons attributable to the Supplier, the Supplier will pay to the UTC AEROSPACE SYSTEMS WROCLAW liquidated damages amounting to 0.1% of the gross price for the Equipment indicated in the Agreement or Purchase Order. UTC AEROSPACE SYSTEMS WROCLAW will be entitled to claim for damages exceeding sum of liquidated damages paid by Supplier under the general rules of Polish Civil Code. Upon positive acceptance, a **CERTIFICATE OF FINAL ACCEPTANCE** (sample attached) will be issued by Parties. Maintenance Manager of UTC

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- AEROSPACE SYSTEMS WROCLAW or employee of the Maintenance Department of UTC AEROSPACE SYSTEMS WROCLAW indicated by Maintenance Manager shall be authorised to sign CERTIFICATE OF FINAL ACCEPTANCE on behalf of UTC AEROSPACE SYSTEMS WROCLAW unless someone else from UTC AEROSPACE SYSTEMS WROCLAW is authorised by the Agreement or Purchase Order to do so.
- 8.1. In case when after installation of the Equipment it will show that the Equipment has a defect, the Supplier shall be obliged to remove the defect in the shortest possible period of time, not longer than 10 calendar days. In this case, within the aforementioned 10 calendar days period, UTC AEROSPACE SYSTEMS WROCLAW will not charge Supplier with liquidated damages mentioned in point 8.0, provided that for each 24 hours of delay defect removal the Supplier will pay to the UTC AEROSPACE SYSTEMS WROCLAW liquidated damages amounting to 0.1% of the gross price for the Equipment indicated in the Agreement or Purchase Order. UTC AEROSPACE SYSTEMS WROCLAW will be entitled to claim for damages exceeding sum of liquidated damages paid by Supplier under the general rules of Polish Civil Code. CERTIFICATE OF FINAL ACCEPTANCE will be signed only after new installation of the Equipment is completed, all defects removed and no subsequent defects will occur.
- 9.0 **WARRANTY:** Supplier warrants to UTC AEROSPACE SYSTEMS WROCLAW that at the time of delivery of the Equipment to UTC AEROSPACE SYSTEMS WROCLAW, and for a period of 24 month after Final Acceptance, the Equipment supplied under the Agreement or Purchase Order will be new and merchantable and also will be:
- free from defects in material and workmanship;
  - with regard to any part of the Equipment designed by Supplier, free from defects in design
  - suitable for the intended purposes whether expressed or reasonably implied;
  - in compliance with all the Specifications , drawings, performance requirements, Supplier's offer and Agreement or Purchase Order;
  - free from physical and legal defects.
- 9.1. Moreover, Supplier warrants to UTC AEROSPACE SYSTEMS WROCLAW that any services or technical data provided by Supplier under the Agreement or Purchase Order (i) have been performed or prepared in a professional and workmanlike manner and according to best industry standards and practices, (ii) are suitable for the purposes intended whether expressed or implied, and (iii) are in compliance with all applicable Specifications and performance requirements.
- 9.2. This warranty covers all of the material (except consumables) incorporated in and labor used to produce the Equipment, including without limitation design, software and hardware.
- 9.3. If defects are found in the Equipment within the warranty period, Supplier will, upon notification by UTC AEROSPACE SYSTEMS WROCLAW and in a time of no longer than 48 hours, repair or replace the defect at its cost, including, without limitation to, any transportation costs associated with sending the Equipment to and from the Supplier. Should the repair, because of the need to replace parts which the Supplier does not normally keep in stock, require to bring spare parts from the manufacturer or the Equipment needs repairs at the premises of the Supplier, the Parties may jointly establish longer repair term, but still it shall not exceed 30 calendar days. For each 24 hours of delay in defects' removal the Supplier will pay to the UTC AEROSPACE SYSTEMS WROCLAW liquidated damages amounting to 0.1% of the gross price for the Equipment indicated in the Agreement or Purchase Order. UTC AEROSPACE SYSTEMS WROCLAW will be entitled to claim for damages exceeding sum of liquidated damages paid by Supplier under the general rules of Polish Civil Code.
- 9.4. Supplier is directly responsible to UTC AEROSPACE SYSTEMS WROCLAW for all warranty issues covered herein whether the defect originates with Supplier or any of its sub-supplier(s).
- 9.5. All warranty shipments to UTC AEROSPACE SYSTEMS WROCLAW are subject to the same shipping terms and conditions specified herein as for the original Equipment shipment(s). All warranty items must be so identified on the Supplier furnished documentation.
- 9.6. All defective parts returned to Supplier shall be shipped by UTC AEROSPACE SYSTEMS WROCLAW at Supplier's risk and expense.
- 9.7. All costs of an acceptance after warranty repair/replacement at the Supplier's premises shall be debited and/or charged to the Supplier's account.
- 9.8. UTC AEROSPACE SYSTEMS WROCLAW's remedies with respect to this warranty shall not be limited, restricted or disclaimed in whole or part by any other provision of the Agreement or Purchase Order. The representations and warranties contained in this section 9.0 are in addition to any other representations and warranties contained in the Agreement or Purchase Order.
- 10.0 **UPTIME GUARANTEE:** The Equipment ordered herein shall be covered by an Uptime Guarantee of 95% for a minimum of 20 consecutive month during the warranty period.
- 10.1. UPTIME shall mean any time (24 hours/day, 7days/week) that the Equipment is not down (downtime).
- 10.2. DOWNTIME- is any time the Equipment is not ready to run to the Specifications for any reason covered by the Warranty.
- 10.3. Downtime will be counted starting with a "machine down situation" call from UTC AEROSPACE SYSTEMS WROCLAW to Supplier and end when the Equipment is ready to run to Specification again at UTC AEROSPACE SYSTEMS WROCLAW.
- 10.4. If the Equipment does not meet the requirements of the Uptime Guarantee within the Warranty period per section 10.0, the warranty period shall be extended until the Uptime Guarantee is met.
- 10.5. In recognition of the importance of UPTIME the Supplier will use its due diligence to meet a 48 hour repair or replacement time for parts and service requests, mentioned in 9.3, and UTC AEROSPACE SYSTEMS WROCLAW agrees to use its best efforts to follow Supplier's recommended preventative maintenance regime

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- 11.0 **PRICES:** Supplier certifies that prices charged to UTC AEROSPACE SYSTEMS WROCLAW under the Agreement or Purchase Order are no higher than those charged by Supplier, for Equipment of like quality and quantity, to Supplier's most favored customer and that the profit margins contained therein do not exceed those normally obtained by Supplier on like equipment.
- 11.1. Prices are firm, unless otherwise noted in the Agreement or the Order. In case the price is determined on the Agreement or on the Purchase Order in currency different than PLN, but shall be payable in PLN, it shall be exchanged into PLN according to the average exchange rate announced by the National Bank of Poland on the day preceding day of invoice issuance by the Supplier.
- 11.2. The prices are net prices i.e. without including the VAT tax.
- 11.3. The Supplier shall indicate in the invoice number of the Agreement or Purchase Order issued by UTC AEROSPACE SYSTEMS WROCLAW regarding purchase of the Equipment.
- 11.4. Prices include the subject Equipment as well as any costs associated with the following:
- Preliminary, Delivery and Final Acceptance(s);
  - Packing, crating, preparation of the Equipment for shipment and transportation to UTC AEROSPACE SYSTEMS WROCLAW;
  - Training, Installation and Final Acceptance;
  - All standard & extended warranties & guarantees described herein.
- 12.0 **TERMS OF PAYMENT:**
- 50 % gross remuneration 60 days after receipt of the Equipment (signing Certificate of Delivery by both Parties), on the account number indicated in the VAT invoice;
  - 50 % gross remuneration 60 days after Final Acceptance of the Equipment (signing Certificate of Final Acceptance by both Parties), on the account number indicated in the VAT invoice.
- Lack of indication on the Supplier's invoice number of the Agreement or Purchase Order regarding purchase of the Equipment according to section 11.3 above will result in the payment term extension by 30 days, i.e. up to 90 days.
- 13.0 **REQUIRED SAFETY CERTIFICATES:** The Supplier guarantees that the Equipment conforms to all safety and health requirements according to the EU and Polish standards for machines and that machine has the CE certificate. The Supplier shall deliver the machine together with technical and commissioning documentation and instruction manual in Polish.
- 14.0 **PROTECTION OF PROPERTY ON LOAN:** Where UTC AEROSPACE SYSTEMS WROCLAW supplies on loan and at no charge to Supplier, tooling, gauging or other material for purposes of testing the Equipment, Supplier will be responsible for its safekeeping. The cost of loss or damage thereto (beyond normal wear and tear from normal use) will be the responsibility of Supplier. It must be maintained in good condition and shall not be used for any purpose outside the Agreement or Purchase Order. While in Supplier's hands, it shall remain the property of UTC AEROSPACE SYSTEMS WROCLAW and must be returned, upon performance of the Agreement or Purchase Order or upon UTC AEROSPACE SYSTEMS WROCLAW's request, to UTC AEROSPACE SYSTEMS WROCLAW at UTC AEROSPACE SYSTEMS WROCLAW expense.
- 14.1. Supplier's material supplied on loan and at no cost to UTC AEROSPACE SYSTEMS WROCLAW, for the purpose of the Agreement or Purchase Order, will be under the safekeeping of UTC AEROSPACE SYSTEMS WROCLAW. The cost of loss or damage thereto (beyond normal wear and tear from normal use) will be the responsibility of UTC AEROSPACE SYSTEMS WROCLAW. It must be returned, upon conclusion of the Agreement or Purchase Order, to Supplier at Supplier's expense.
- 14.2. Where indicated, spare parts must be supplied on consignment by Supplier to UTC AEROSPACE SYSTEMS WROCLAW during the Warranty period as an on-site inventory for warranty replacement parts. During this period UTC AEROSPACE SYSTEMS WROCLAW may, with Supplier's written agreement, use these parts as warranty replacement parts. Supplier must then replace any part so used to maintain the inventory level. The defective part must be returned by UTC AEROSPACE SYSTEMS WROCLAW at Supplier's expense or disposed of as Supplier may request. During the Warranty period, UTC AEROSPACE SYSTEMS WROCLAW is responsible for the safekeeping and inventory control of these spare parts. At the end of the Warranty period, if any inventory remains, it must be purchased, in whole or in part, at UTC AEROSPACE SYSTEMS WROCLAW's option, or returned, to the Supplier at UTC AEROSPACE SYSTEMS WROCLAW expense.
- 15.0 **INTELLECTUAL PROPERTY - GENERAL RULES:** Supplier warrants that to the extent that any use, sale, maintenance, modification or repair of the Equipment or its component parts or the practice of any process in using same are subject to any patent or other intellectual property right, that Supplier has the right to grant UTC AEROSPACE SYSTEMS WROCLAW a royalty free license, with a right to sublicense under such rights. Supplier further warrants that any use, sale, maintenance or repair of the Equipment or its component parts does not infringe or misappropriate any patent or other intellectual property of any third party.
- 15.1. Supplier hereby grants to UTC AEROSPACE SYSTEMS WROCLAW an irrevocable, royalty-free, perpetual, worldwide license to use, sell, maintain, modify and repair the Equipment and its component parts and to practice any process in using same. UTC AEROSPACE SYSTEMS WROCLAW may sub-license all such rights to a subsequent purchaser with

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respect to the Equipment should the Equipment be sold by UTC AEROSPACE SYSTEMS WROCLAW to such subsequent purchaser.

- 15.2. Supplier shall indemnify and hold UTC AEROSPACE SYSTEMS WROCLAW harmless from any claim alleging that the use, sale, maintenance or repair of the Equipment, or the practice of any process by use of the Equipment by UTC AEROSPACE SYSTEMS WROCLAW or any subsequent purchaser, infringes any patent or other intellectual property right of any third party, upon notice of such claim from UTC AEROSPACE SYSTEMS WROCLAW.

**16.0 INTELLECTUAL PROPERTY - EQUIPMENT DESIGNED SPECIFICALLY FOR UTC AEROSPACE SYSTEMS WROCLAW NEEDS****16.1. Copyright:**

16.1.1. The Parties hereby agree that upon acceptance by UTC AEROSPACE SYSTEMS WROCLAW of the Certificate of Final Acceptance, The Parties agree that all financial copyrights in the design of the Equipment or any part thereof (including all accompanying documentation) (hereinafter: work) , free of any encumbrances, shall be transferred to UTC AEROSPACE SYSTEMS WROCLAW, upon signing Certificate of Final Acceptance, together with an exclusive right to exercise and to approve exercising of any derivative rights, and the Supplier authorizes UTC AEROSPACE SYSTEMS WROCLAW to exercise on behalf of the authors of particular parts of the work their moral copyrights.

16.1.2. The above transfer of copyrights refers to any and all exploitation fields indicated in Article 50 of the Act on Copyrights and related rights, including without limitation:

- a) recording of the work or any part thereof in digital form in any medium (including any memory devices or computer systems), sharing via computer networks, including via Internet and Intranet;
- b) trading of the original or copies on which the work was recorded - marketing, use in business transaction and non-economic transaction, public display or sharing in a way enabling everyone to have access to the work at a place or time individually chosen by them, lending or rental of the original or copy, sale or sharing free of charge;
- c) reproducing the work or any part thereof by using any technique such as printing, photocopying, scanning, magnetic or digital recording etc.;
- d) using solutions applied in the work or any part thereof when manufacturing products, producing any documentation and technical elaborations, including any designs, drawings, charts, models and visualizations for the business purposes of UTC AEROSPACE SYSTEMS WROCLAW or companies from UTC ;
- e) incorporation of the work into the collective work and/or multimedia work.

16.1.3. The Parties agree that at the time as indicated in the point 16.1.1. above, all financial copyrights in the software installed in the Equipment along with the right to its updates, latest versions and with an exclusive right to exercise and to approve exercising of any derivative rights, shall be transferred to UTC AEROSPACE SYSTEMS WROCLAW, and the Supplier authorizes UTC AEROSPACE SYSTEMS WROCLAW to exercise on behalf of the authors of particular parts of the software their moral copyrights; at the same moment UTC AEROSPACE SYSTEMS WROCLAW shall acquire the ownership of the software's source code, which shall be handed over to UTC AEROSPACE SYSTEMS WROCLAW along with the Equipment on a medium considered by the Parties as the most convenient.

16.1.4. The above transfer of copyrights in the software shall refer to the following exploitation fields:

- a) permanent or temporary reproduction, in whole or in part, by any means or in any form, including when necessary for introduction, displaying, running, transmitting and storing of the software;
- b) translation, adaptation, rearrangement or any other changes in the software, respecting rights of the person who performed such alterations;
- c) sharing, including lending and rental of the software or any copy thereof.

16.1.5. Upon the transfer referred to in this point 16.0, UTC AEROSPACE SYSTEMS WROCLAW shall possess any copyrights to the work and any the specific parts thereof, which shall not infringe any copyrights, related and other rights of third parties. In particular, the Supplier is obliged to acquire all financial copyrights from the authors of particular parts of the project, within a scope which enables further transfer of such rights to UTC AEROSPACE SYSTEMS WROCLAW. The Supplier also undertakes to pay such authors their due compensation which will satisfy all their claims and therefore provide unlimited exploitation of the entire work or any part thereof by UTC AEROSPACE SYSTEMS WROCLAW. Also, the Supplier shall not assume any obligation with respect to the copyrights referred to in this point 16.0, which would make the aforementioned transfer to UTC AEROSPACE SYSTEMS WROCLAW unfeasible.

16.1.6. The Supplier hereby indemnifies UTC AEROSPACE SYSTEMS WROCLAW against any liability arising from claims of any third party in connection with infringement any rights relating to the work or any part thereof, as well as from claims of particular authors on account on their compensation.

16.1.7. The Supplier undertakes that it shall be authorized by all authors of the work or any part thereof to exercise their moral copyrights thereto on their behalf. The above authorization from the authors shall comprise approval for further authorization of third parties to exercise the said rights. The Supplier shall assure the authors not to exercise their moral copyrights and consent to amending the work or any part thereof by any third party.

16.1.8. Rescission, expiry or termination of this Agreement or Purchase Order shall not affect the effective acquisition of any rights by UTC AEROSPACE SYSTEMS WROCLAW under this point 16.0. In particular, in each such event UTC AEROSPACE SYSTEMS WROCLAW, its successors or persons designated by UTC AEROSPACE SYSTEMS WROCLAW may freely dispose of the work or any part thereof and continue works based on the work or any part thereof by any third party.

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- 16.1.9. Upon handover of the work or any part thereof to UTC AEROSPACE SYSTEMS WROCLAW, UTC AEROSPACE SYSTEMS WROCLAW shall also acquire an ownership title to any media on which the work or any part thereof handed over to UTC AEROSPACE SYSTEMS WROCLAW has been recorded.
- 16.2. Industrial property:
- 16.2.1. The Parties agree that at the moment as indicated in point 16.1.1 above UTC AEROSPACE SYSTEMS WROCLAW shall acquire all the exclusive rights pursuant to the law of 30.06.2000, Industrial Property Right, in relation to each invention, utility model, industrial design or trade mark, respectively, created by the Supplier under the execution of this Agreement or Purchase Order. Simultaneously, the Parties mutually agree that signing of the Certificate of Final Acceptance shall be synonymous with the acceptance by UTC AEROSPACE SYSTEMS WROCLAW of an invention, utility model, industrial design or trade mark created under the execution of this Agreement or Purchase Order and shall constitute, at the same time, a notification of UTC AEROSPACE SYSTEMS WROCLAW of this acceptance in accordance to Art. 21 of the law of 30.06.2000, Industrial Property Law.
- 16.2.2. The Supplier undertakes, at the UTC AEROSPACE SYSTEMS WROCLAW's request and expense, to deliver all necessary documents allowing UTC AEROSPACE SYSTEMS WROCLAW to acquire and to maintain all exclusive rights pursuant to the law of 30.06.2000, Industrial Property Law, in relation to each invention, utility model, industrial design or trade mark, respectively, in the territory of Poland or outside of its borders.
- 16.3. The compensation for the transfer of exclusive rights, as mentioned in this point 16.0, amounts to 10% of the gross remuneration as specified in this Agreement or Purchase Order. For the avoidance of doubt, the Supplier confirms the compensation set forth in preceding sentence is full and satisfactory also with respect to the transfer and authorizations regarding the rights referred to in this point 16.0 as well as with respect to the transfer of the ownership title to any media on which the work or any part thereof have been handed over to UTC AEROSPACE SYSTEMS WROCLAW and undertakes not to raise any claims towards UTC AEROSPACE SYSTEMS WROCLAW for any additional payment in that respect.
- 17.0 **CONFIDENTIALITY:** All data and information (including for example and without limitation, all drawings, specifications and processes) which are disclosed by UTC AEROSPACE SYSTEMS WROCLAW to the Supplier pursuant to the Agreement or Purchase Order, shall be regarded as confidential and is hereinafter referred to as "Information". Bearing in mind security of the above Information, the Supplier states that upon receipt to be used, such Information:
- shall at all times remain the property of UTC AEROSPACE SYSTEMS WROCLAW and shall only be used by Supplier for the purposes of the Agreement or Purchase Order;
  - shall not be disclosed to any third party without UTC AEROSPACE SYSTEMS WROCLAW's prior written consent;
  - shall be protected against disclosure under penalty of full damages liability;
  - shall be subject to immediate return, not later, however, than three days after performance of the Agreement or Purchase Order.
- 18.0 **ANTI-KICKBACK:** Supplier represents and warrants to UTC AEROSPACE SYSTEMS WROCLAW that neither it or its officers, attorneys, contractors, employees or agents have provided or promised any money, gift or compensation of any kind, directly or indirectly, to UTC AEROSPACE SYSTEMS WROCLAW or any of its employees in order to improperly obtain favorable treatment in connection with the Agreement or Purchase Order and that neither it or its officers, attorneys, contractors, employees or agents have improperly accepted any such inducements from its sub-suppliers in connection with the Agreement or Purchase Order.
- 19.0 **EUTC AEROSPACE SYSTEMS :** In the performance of the Agreement or contract on the premises UTC AEROSPACE SYSTEMS Wroclaw Supplier will apply to generally applicable standards, rules and regulations in the field of health and safety, fire, sanitation and environmental protection, as well as to the general requirements UTC AEROSPACE SYSTEMS environmental and health safety for contractors contained in the Attachment to the Agreement or Purchase Order.
- 19.1. Supplier shall provide its employees or other persons, which it uses in the performance of this Agreement or Purchase Order, the necessary protective clothing, footwear and personal protective equipment.
- 19.2. All Suppliers' employees and other persons, whom it uses in the performance of the Agreement or Purchase Order residing in UTC AEROSPACE SYSTEMS Wroclaw, are strictly required to wear safety shoes and safety glasses.
- 19.3. For every single violation of the provisions of Sections 19.0 - 19.2 above, Supplier shall pay UTC AEROSPACE SYSTEMS WROCLAW liquidated damages in the amount of 1,000.00 PLN for each individual violation. UTC AEROSPACE SYSTEMS WROCLAW will be entitled to claim for compensation from the Supplier in excess of the amount of the liquidated damages.
- 20.0 **ASSIGNMENT:** Assignment of any obligations or rights resulting from the Agreement or Purchase Order shall not be permissible without the prior written consent UTC AEROSPACE SYSTEMS WROCLAW. Any assignment by Supplier without prior written consent of UTC AEROSPACE WROCLAW shall be null and void and Supplier shall remain liable to UTC AEROSPACE SYSTEMS WROCLAW for full performance of its obligations hereunder. Supplier hereby consents to and agrees that UTC AEROSPACE SYSTEMS WROCLAW may at any time assign this order or any interest hereunder to any affiliate or subsidiary or successor in interest, to United Technologies Corporation or any its affiliate or subsidiary.
- 21.0 **AMENDMENT:** No amendment or modification of the Agreement or Purchase Order shall be binding unless an appropriate written ANNEX is issued.

**Attachment nr 1: Terms & Conditions of Purchase of the Equipment**

- 22.0 **WITHDRAWAL:** UTC AEROSPACE SYSTEMS WROCLAW may withdraw from the Agreement or Purchase Order only if :
- a) the Supplier is in default of any of its obligations pursuant to the Agreement or Purchase Order or pursuant to any other agreements entered into by Parties, especially if during preliminary or final acceptance tests it turns out that the Equipment is inconsistent with the conditions as provided by the Agreement or Purchase Order, particularly with specifications or it does not meet final acceptance conditions;
  - b) during guarantee period, the Equipment does not meet Uptime Guarantee conditions;
  - c) the Supplier became insolvent, committed liquidation or when the motion for bankruptcy has been submitted.
- 22.1. In case of withdrawal by UTC AEROSPACE SYSTEMS WROCLAW according to point 22.0, both Parties shall return each other what they received by this time under performance of the Agreement or Purchase order. The Parties agree that the withdrawal has retroactive effect in respect of all rights and obligation under the Agreement or Purchase order, which shall be considered null and void. In case however, UTC AEROSPACE SYSTEMS WROCLAW decides that work made partially by the Supplier will be useful during its completion by UTC AEROSPACE SYSTEMS WROCLAW or by the third party, UTC AEROSPACE SYSTEMS WROCLAW will pay the Supplier for the work provided in accordance with the Agreement or Purchase Order until withdrawal. Compensation for the works performed until withdrawal will be calculated according to inventory and the purchase price paid by the Supplier plus the cost of labor, but no higher than the remuneration resulting from the cost estimate on the basis of which the Supplier determined remuneration under this Agreement or Purchase Order. The amounts referred above may not exceed the value of the Agreement or Purchase Order and may not include compensation for lost of profits.
- 22.2. UTC AEROSPACE SYSTEMS WROCLAW may exercise the right of withdrawal as indicated in point 22.0 a) and b) until signing by both Parties Certificate of Final acceptance and delivery of its original to UTC AEROSPACE SYSTEMS WROCLAW. In case, however, after signing Certificate of Final Acceptance it turns out that (i) the Equipment does meet requirements as defined in the specifications of the Agreement or Purchase Order or (ii) the Equipment does not have characteristics existence of which UTC AEROSPACE SYSTEMS WROCLAW has been assured by the Supplier although they does not result from the aforesaid specifications or (iii) the Equipment does not meet Uptime Guarantee, UTC AEROSPACE SYSTEMS WROCLAW is entitled to withdraw from the Agreement or Purchase Order within six month after notification of the Supplier by UTC AEROSPACE SYSTEMS WROCLAW about aforesaid circumstances.
- 22.3. UTC AEROSPACE SYSTEMS WROCLAW may exercise the right of withdrawal as indicated in point 22.0 c) until the end of guarantee period.
- 23.0 **GOVERNING LAW:** Any dispute which arises out from the application of these Terms and Conditions, the parties submit to the decision of thoroughly and locally relevant Polish common court. These Terms and Conditions shall be governed by the Polish law. The parties specifically disclaim application to the Agreement or Purchase Order of the United Nations Convention on Contracts for the International Sale of Goods.
- 24.0 **LANGUAGE:** In case the Agreement or Purchase Order is executed in Polish and English, the Polish version shall prevail.
- 25.0 **COMMERCIAL, SHIPPING & CUSTOMS DOCUMENTS:** Supplier is responsible for preparing correct and complete documentation for all shipments to UTC AEROSPACE SYSTEMS WROCLAW to ensure clearance of goods.
- 25.1. Packing Slip shall include in particular: UTC AEROSPACE SYSTEMS WROCLAW's Agreement or Purchase Order No, Equipment description, type and serial number of the Equipment description, quantity of packages, country of origin, as well as whether shipment is partial or final. These should be placed in a "document envelope" in the shipping crate which should be clearly marked "Commercial Documents Herein".
- 25.2. Bill of Lading: The Bill of Lading must clearly indicate the complete name of the recipient – UTC AEROSPACE SYSTEMS WROCLAW sp. z o.o. in Wrocław and be suitable for the type of transport (for example: CMR or AWB).
- 25.3. Certificate of Origin EUR 1 (if acquired - imports only) the original must be attached to the Bill of Lading.
- 25.4. Commercial Invoices: The original and two copies of the commercial invoice are required showing Agreement or Purchase Order No and must be delivered with the Equipment.

Agreement No \_\_\_\_\_

**Attachment nr 1: Terms & Conditions of Purchase of the Equipment****CERTIFICATE OF DELIVERY**

This certificate covers the Equipment described below which is the subject of the Agreement/Purchase Order

No. \_\_\_\_\_ dated \_\_\_\_\_  
between the UTC AEROSPACE SYSTEMS WROCLAW

and the Supplier:

**Equipment**

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This is to certify that on \_\_\_\_\_ the Equipment has been delivered.

Comments:

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**Buyer UTC AEROSPACE SYSTEMS WROCLAW**

Signature \_\_\_\_\_

Name (print) \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**Supplier**

Signature \_\_\_\_\_

Name (print ) \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



Agreement No \_\_\_\_\_

**Attachment nr 1: Terms & Conditions of Purchase of the Equipment****CERTIFICATE OF PRELIMINARY/PARTIAL/FINAL<sup>1</sup> ACCEPTANCE**

This certificate covers the Equipment described below which is the subject of the Agreement/Purchase Order

No. \_\_\_\_\_ dated \_\_\_\_\_ between the  
UTC AEROSPACE SYSTEMS WROCLAW and the Supplier.

**Equipment**

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This is to certify that the Final Acceptance tests have been performed and the results accepted subject to the following conditions, if any:

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**Buyer**      **UTC AEROSPACE SYSTEMS WROCLAW**

Signature      \_\_\_\_\_

Name (print)      \_\_\_\_\_

Title      \_\_\_\_\_

Date      \_\_\_\_\_

**Supplier**      \_\_\_\_\_

Signature      \_\_\_\_\_

Name (print)      \_\_\_\_\_

Title      \_\_\_\_\_

Date      \_\_\_\_\_

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<sup>1</sup> delete as appropriate