

**1. EXCEPTION TO PAYMENT TERMS -- MATERIALS -- T&M (Clause H-10.1)  
(January 2022)**

Notwithstanding Payments article 6 (b) (3) of the "Honeywell Federal Manufacturing & Technologies, LLC, Terms and Conditions of Purchase, Time and Material or Labor Hour Purchase Order/Contract" (1610), the price to be paid for materials is to be on the basis of an established catalog or price list in effect when the material is furnished, less all applicable discounts, as identified elsewhere in this purchase order/contract. The Seller agrees, however, that in no event are such prices to be in excess of the sales prices the Seller offers its most favored customer for the same item(s) in like quantity, or the current market price, whichever is lower.