STANDARD SUPPLIER AGREEMENT TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND SERVICES

Unless otherwise agreed between the parties in writing, the following Standard Supplier Agreement Terms and Conditions for the Purchase of Goods and Services shall exclusively apply.

1.0 Definitions

Supplier Agreement. These Terms and Conditions contained herein for the purchase of Goods and/or Services by MSI (“Terms”) and all documents attached hereto or referenced herein (“Exhibits”), including Purchase Order form(s) and any amendments or change orders, if any, shall be incorporated together and constitute the contract (“Supplier Agreement”) for the Goods/Services purchased by MSI from Supplier.

The Supplier Agreement is effective and its is expressly conditional upon Supplier’s assent to all terms and conditions in this MSI Supplier Agreement that are different from and/or in addition to those stated in the Supplier’s purchase order, quotation, proposal or other offering documents. MSI hereby gives notice of objection to any different or additional terms in any response to this Supplier Agreement. Shipment of any Goods or the performance of any Services by Supplier shall be deemed to constitute Supplier’s assent to this provision.

Affiliate. With respect to either Party, Affiliate shall include any other party or entity which directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with such Party.

Representative. Includes a Party’s and its respective Affiliates’ directors, officers, employees, agents, representatives and/or subcontractors.

Goods. Any products, materials, raw materials, supplies, equipment, information, Work Product, data, drawings, designs, specifications, reports and/or off the shelf software furnished by Supplier hereunder.

Services. The tasks/deliverables to be performed/provided by Supplier as set forth in the Purchase Order.

Purchase Order. Purchase Order shall mean MSI’s Purchase Order(s) issued to Supplier hereunder, including all basic purchase order information setting forth (a) list of goods to be purchased; (b) minimum specifications of Goods; (c) quantity of each of the Goods ordered; (d) requested delivery date; (e) unit price for each of the Goods to be purchased; (f) billing address; and (g) delivery location of Goods together with additional Terms and conditions attached to, or incorporated into, such Purchase Order. The Parties may, from time to time, amend the Purchase Order to reflect any agreed revisions to any of the terms described in the foregoing clauses (a)-(f), provided, however, that no such revisions will modify this Agreement or be binding upon the Parties unless such revisions have been fully approved in a signed writing by authorized Representatives of both Parties.

Acceptance Criteria. The Goods/Services under this Agreement will be as set forth within the Purchase Order(s). Each Purchase Order will describe the Goods/Services that Supplier is obligated to furnish to MSI, (the “Acceptance Criteria”) and the criteria, if any, to signify completion of each phase, or completion in total, of a project.

2.0 Pricing, Terms of Payment, Taxes and Duties.

(a) The purchase price set forth in the Purchase Order shall be in U.S. Dollars, shall be firm, and shall include Supplier’s overhead, insurance, packaging, storage and shipping, wages or other amounts owed to Supplier’s Representatives, including all administrative and travel expenses, taxes and all other costs and expenses (including transfer pricing) applicable to the Goods/Services. The purchase price for Goods (both tangible and intangible) and Services shall be separately stated.

(b) To the extent required by law, MSI shall be responsible for all taxes, federal, state or local, together with all governmental filing related thereto, that are assessed and clearly itemized on Suppliers invoice(s) for Goods or Services purchased. MSI shall not be liable or responsible for the payment of any of Supplier’s tax liabilities, fees or duties, including, without limitation, Supplier’s income taxes and payroll taxes related to Supplier’s employees. MSI shall provide tax exemption certificates or other applicable tax documents as reasonably requested by Supplier.

(c) Supplier shall complete the Services for the amount of fees and by the date specified in the Purchase Order(s). Supplier shall invoice MSI as indicated in the Purchase Order(s) or as otherwise required by MSI upon the acceptance by MSI of the Goods identified for that period. Should Supplier anticipate that the Supplier’s assigned resources are not sufficient to ensure the timely completion of the Goods and/or Services, Supplier shall supplement them as necessary at no additional cost to MSI.

(d) Unless otherwise set forth in the Purchase Order, invoices are due and payable net ninety (90) days after receipt of a correct undisputed invoice by Supplier. Billing disputes shall not be cause for non-performance under this Agreement. MSI shall have the right to offset amounts owed to it by Supplier against any amounts due under any Purchase Order or Work Schedule entered into pursuant to this Agreement.

3.0 Title, Risk of Loss, Delivery.

(a) Title to Goods, and title or license to Services, shall pass to MSI at the earlier of (i) payment by MSI or (ii) receipt of the Goods/Services by MSI per the delivery terms in the Purchase Order. In the event of advance or progress payments, Supplier shall: (i) reasonably identify or otherwise mark the Goods/Services as MSI’s property; (ii) sign and deliver such documents for MSI to confirm that title or license has passed to MSI; and (iii) if requested by MSI, provide and advance payment bond acceptable to MSI. Goods/Services shall be delivered free and clear of all liens or claims.

(b) For Goods purchases, the Purchase Order shall state the: (i) mode, manner and timing of delivery to MSI, its end user(s) or designee(s); and (ii) address of final destination. Regardless of the shipping terms used, risk of loss to the Goods shall remain with Supplier until Goods are in the possession, custody and control of MSI.
(c) Shipments sent C.O.D. without MSI’s written consent will not be accepted and will be at Supplier’s risk. Supplier is instructed to ship only the quantities specified in the Purchase Order. Any deviation caused by conditions of loading, shipping, packing, or allowances in the manufacturing processes may be accepted by MSI, and only pursuant to a duly executed amendment or change order as set forth in Section 6.0 below. MSI reserves the right to return, without any liability, any overshipment at Supplier’s expense.

(d) Supplier shall comply with MSI’s delivery dates at its sole cost unless the Parties otherwise agree in writing. If a delay originates with Supplier or its Representatives, Supplier shall be solely responsible for expedited delivery and other charges to meet delivery dates. Goods shipped in advance of MSI’s delivery dates may, at MSI’s option, be returned to Supplier at Supplier’s expense. MSI reserves the right to delay shipment of the Goods for up to thirty (30) days at no additional cost.

4.0 Inspection, Quality Control, Acceptance of Goods and Right to Audit

(a) MSI, its Representatives and/or end user(s) may inspect, test, reject or accept Goods/Services during manufacture or performance. All services and work performed pursuant to this Agreement shall comply with all applicable specifications set forth in Purchase Order(s) and the Terms of this Agreement and shall be subject to inspection by MSI at all times and places. If any inspection is made on the premises of Supplier, Supplier without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. Notwithstanding prior inspection or testing, payment, or passage of title, all Goods/Services shall be subject to final inspection and written acceptance at final destination, with such rights of inspection/rejection being in addition to any other rights or remedy of MSI under this Agreement, Purchase Order or applicable law.

(b) Supplier shall maintain quality control and inspection systems as mutually agreed upon by the Parties and provide MSI with quality assurance documentation, manuals or certifications.

(c) Acceptance of Goods/Services shall occur when the Goods/Services described in the Purchase Order(s) meet the agreed upon Acceptance Criteria as established in the Purchase Order(s), and MSI has confirmed such acceptance to Supplier.

(d) If the Goods/Services, in whole or in part, do not meet the Acceptance Criteria when they are offered by Supplier for MSI’s acceptance, or the Goods/Services, in whole or in part, otherwise do not comply with the requirements of this Agreement, MSI shall give Supplier written notification of the deficiency or non-conformance within thirty (30) days of delivery to MSI of the Goods/Services. If MSI rejects all or part of the Goods, MSI may, at its sole and exclusive discretion:

(i) return the Goods to the Supplier, at Supplier’s sole risk and expense for rework or replacement, and Supplier shall: (A) correct the deficiency or non-conformance and ship conforming Goods to MSI within ten (10) days of such written notification; or (B) provide MSI with a plan acceptable to MSI for correcting such deficiency or non-conformance; or

(ii) if the deficiency or non-conformance is not corrected to MSI’s satisfaction, or if an acceptable plan for correcting such deficiency or non-conformance is not established during such ten (10) day period, then, MSI may terminate the Purchase Order and/or Work Schedule and/or this Agreement for breach under Section 13.0 (Term and Termination) and upon request of MSI, and MSI’s return of Goods/Services and copies thereof, except for any Confidential Information (as defined in Section 9.0) belonging to, or paid for in whole or in part by MSI or its Affiliates, Supplier shall refund to MSI within thirty (30) additional days any fees previously paid by MSI relating to such deficient and/or non-conforming Goods/Services; or

(iii) if MSI determines, in its sole discretion, that Supplier is unable to rework or replace the Goods within the time required by MSI, MSI may: (A) rework or have another supplier rework the Goods, the cost of such rework to be paid by Supplier; (B) return the Goods to Supplier for full credit and obtain replacement from an alternate source, at Supplier’s expense; or (C) produce replacement Goods at Supplier’s expense. All Services found to be defective or non-conforming shall be re-performed at Supplier’s expense.

(e) MSI or an authorized agent shall have the right to audit, at the Supplier’s offices and during Supplier’s normal business hours, any and all charges in connection with work performed and/or materials furnished under this Agreement. Supplier and its Representatives shall maintain accurate and complete records (“Records”) which are reasonably sufficient to determine Supplier’s compliance with this Agreement, Purchase Order(s) and/or Work Orders. Such Records shall be kept in accordance with recognized commercial accounting practices and shall be retained by Supplier for a minimum of seven (7) years after the later of (i) the last delivery of Goods/Services; or (ii) the expiration or termination of this Agreement. In connection with such audit(s), Supplier shall reasonably make available, during normal business hours, personnel familiar with the Records. Any overcharges found during the course of such audit will be charged back to the Supplier. This right to audit shall survive until three (3) years following the termination of this Agreement.

5.0 Goods and Services Warranty.

(a) Supplier represents and warrants that it shall perform the Services and furnish Goods in a professional and workmanlike manner, in accordance with generally established professional standards and practices for quality for such Goods and Services with the best practices in Supplier’s industry, and that such Goods and services hereunder:

(1) shall (i) be new and merchantable quality; (ii) be fit and capable of the intended use; (iii) be of high quality and free from defect or non-conformity in design, workmanship or materials; (iv) not be government or commercial surplus, used, remanufactured or reconditioned, or of such age or so deteriorated as to impair the usefulness, longevity, or safety thereof; and (v) strictly conform to the requirements of the Purchase Order(s), MSI’s specifications, drawings, samples and other descriptions of instruction furnished by Supplier or Supplier’s Representative, generally accepted professional, engineering, manufacturing and/or technology standards, and Applicable Law, in each instance, until the later of eighteen (18) months after the Goods are first placed into service or thirty-six (36) months after delivery, and in the case of Services, eighteen (18) months after the completion of Services; and
(2) (i) will comply with applicable laws, regulations, codes, and ordinances; (ii) are free of Asbestos, Asbestos containing materials, or any other materials prohibited by applicable laws; (iii) bear all markings, labels, warnings, notices or other information required under applicable law; and (iv) do not contain any substance prohibited by national or international regulations applicable to the Supplier or MSI, or at the point of delivery; and

(3) are free of any liens, encumbrances or claims.

(b) Supplier warrants and represents that: (i) the Goods/Services do not (A) infringe, violate, misappropriate any intellectual property right(s) of third parties or (B) violate any applicable copyright, patent, trademark, or technology laws; (ii) Supplier has all the rights, permits, licenses and authority necessary to perform its obligations herein; (iii) Goods/Services including any software, related documentation, updates furnished herein and the media it is delivered on, or any "Software as a Service" or "Cloud" service, have been scanned for viruses and other malicious code and have been found to be free from viruses and malicious code; and (iv) the Goods/Services do not (A) grant access to servers, systems or programs of MSI, its Affiliates or Representatives by person(s) other than MSI, its Affiliates or Representatives or (B) contain any program, routine, code, devise or other undisclosed feature including but not limited to a time bomb, virus, software lock, Trojan horse, worm or trap door ("Disabling Feature") that is designed to delete, disable or interfere with Goods/Services, and if any Disabling Feature is discovered or reasonably suspected to be present, Supplier shall immediately notify MSI and, at its sole expense, delete such Disabling Feature and carry out the recovery necessary to remedy its impact.

(c) Supplier warrants that it is in full compliance with the Immigration Reform and Control Act of 1986, as amended, and that it will only provide MSI with personnel whose employment eligibility has been verified. Supplier also represents that it abides by all applicable laws relating to equal employment opportunity.

(d) In the event of any failure by Supplier to comply with these warranties, in addition to exercising any of MSI’s other rights and remedies under this Agreement or otherwise at law, MSI’s remedies shall include, but not be limited to, Supplier’s correction of any non-conformity with the warranty at its sole expense, and at the sole discretion of MSI, Supplier shall promptly: (i) repair or replace the non-conformity (and correct any plans, specifications, or drawings affected); (ii) furnish MSI or its end users any materials, parts and instructions necessary to correct the non-conformity, including reimbursement for MSI’s costs; or (iii) pay MSI a mutually agreed upon portion of the Purchase Order price. MSI shall also be entitled to recover all costs and expenses incurred directly by MSI, its Representatives or payable to third parties, including additional costs of MSI’s personnel or other labor, evaluation, re-working or scrapping, or transportation costs, or costs incurred removing defective or non-conforming Goods/Services from property, equipment or products from property or premises where they have been incorporated.

(e) the warranty with respect to any corrected Goods/Services shall be subject to the same terms as the original warranty except that the warranty on any corrected or replaced Goods/Services shall be the longer of (i) one year from the date of repair or replacement or (ii) until the end of the original warranty period.

(f) MSI’s approval of Supplier’s samples, prototypes or first articles shall not be construed as a waiver of any express or implied warranty.

(g) In addition to any other obligations set forth in Section 5, Supplier shall pass through all assignable third party manufacturer’s warranties applicable to Goods/Services furnished by Supplier. In the event a third party warranty is not assignable, Supplier shall enforce its warranty against a third party at Supplier’s expense upon MSI’s reasonable request. Supplier shall immediately notify MSI in writing of product recalls and/or product safety notices that concern the Goods/Services.

(h) MSI shall have the right to assign Supplier warranties under this Agreement and Purchase Orders to third parties including MSI’s customers/end users, who shall have the right to enforce any such warranty.

6.0 Communication and Change Orders.

(a) all written communications shall be: (i) directed to the addresses set forth in the Purchase Order; (ii) refer to the Purchase Order number; and (iii) delivered in accordance with the Purchase Order.

(b) If MSI requires modifications to the Goods/Services, the Parties shall negotiate an equitable adjustment in the form of a Change Order or amendment. Supplier shall not make any changes without MSI’s prior written consent.

7.0 Ownership of Deliverables and Customer Furnished Property

(a) MSI Property. All tangible and intangible property, including, but not limited to tooling, computer software, documents, information, data, patterns, equipment, materials, or other property of any kind furnished to Supplier by MSI or paid for in whole or in part by MSI shall be and remain the personal property of MSI and shall be used by Supplier solely to render Services to MSI. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Supplier as being the property of MSI, and shall be safely stored separate and apart from Supplier’s property to prevent a lien, encumbrance or challenge to MSI’s title thereto. Title to MSI property shall remain with MSI and risk of loss shall be with the Party who has custody, control and/or possession. Such property while in Supplier’s possession shall be insured by Supplier against loss and damage in an amount equal to full replacement cost with loss payable to MSI. MSI furnished property shall carry no guarantee or warranty, express or implied. Supplier shall, at its own expense, maintain and repair MSI property, returning it to MSI in the condition in which it was received, reasonable wear and tear excepted. Upon expiration or termination of this Agreement, completion of applicable Purchase Order, or request for removal or return by MSI in writing, Supplier shall prepare such property for shipment and shall deliver it as directed by MSI at Supplier’s expense, or, shall dispose of MSI property as directed by MSI in writing. MSI reserves the right to abandon MSI property at no additional expense to MSI. These requirements and obligations will remain in effect so long as Supplier possesses MSI furnished property.
(b) MSI shall have all right, title, and interest, including exclusive ownership of all worldwide patent, trademark and copyright rights to any deliverable or materials developed and delivered by Supplier during the performance of Services under this Agreement. Supplier shall not have any license to use or disclose Goods or Deliverables unless such right or license is specifically granted by MSI in a separate, written license agreement.

8.0 Packaging

(a) Except where a Purchase Order includes alternative requirements, Supplier shall be responsible for packaging Goods, and the clear and conspicuous marking of Goods and packaging, in accordance with Applicable Law, industry standards and in a manner sufficient to permit efficient handling, to provide adequate protection and comply with requirements of carrier and Applicable Law.

(b) Packing slips identifying the Purchase Order number and part number must accompany each shipment. The exterior of each shipping container or package will be clearly marked with MSI’s Purchase Order number and country of origin, which shall also be marked on Goods, and any specified packaging/marking requirements stated in the Purchase Order, in a clear, conspicuous and permanent manner. Supplier shall provide all necessary shipping documents, including, but not limited to, customs invoices and packing lists in accordance with MSI’s requirements and Applicable Law. Damages and costs incurred by MSI, its Representatives or end user resulting from Supplier or its Representative’s failure to comply with this Section shall be paid by Supplier. If Supplier imports wood packaging materials, Supplier warrants that such wood packaging material is treated and marked under an official program developed and overseen by the country of export and acceptable for import by and into the United States.

9.0 Confidentiality.

(a) “Confidential Information” means, to the extent it is not a Trade Secret (as defined below), information, including conceptions, innovations, trade secrets, inventions, designs, manufacturing processes, mask works, software and particularly source codes, ideas, data, production schedules and/or quantities, dealer, customer or employee tests, pricing information, financial information, specifications, know-how, intellectual property, forecasts, projections, analyses, marketing, research and development, end user and vendor information, and other technology, whether or not patentable, copyrightable, or susceptible to any other form of protection, which is provided by MSI to Supplier, except for information which: (i) was rightfully in the possession of Supplier prior to the date of disclosure; (ii) was in the public domain prior to the date of disclosure; (iii) becomes part of the public domain by publication or by any other means except an unauthorized act or omission by Supplier; (iv) is supplied to Supplier without restriction by a third party who is under no obligation to MSI to maintain such information in confidence; or (v) is required to be disclosed by law, except to the extent eligible for special treatment under an appropriate protective order. In such event, and prior to disclosure, Supplier will promptly notify and advise MSI of any requirement to make such disclosure to allow MSI the opportunity to obtain a protective order and assist Supplier in so doing.

(b) Nondisclosure. Both during and after the term of this Agreement, Supplier will treat as confidential all Confidential Information provided by MSI to Supplier. Confidential Information provided by MSI to Supplier shall only be used by Supplier in connection with the transactions involving or related to the Goods and Services to be provided to MSI pursuant to applicable Purchase Order(s) and in furtherance of this Agreement. Supplier shall not disclose Confidential Information to any third party (except an employee who as a need to know) without prior written consent of MSI.

(c) It is not intended that Supplier will provide any Confidential Information to MSI. All information disclosed by Supplier shall be deemed non-confidential.

(d) For purposes of this Agreement, “Trade Secrets” means all information possessed by or developed for MSI, including, without limitation, a formula, pattern, compilation, program, device, method, system, technique or process to which the following apply: (i) the information derives independent economic value, actual or potential, from not being generally known to or not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and (ii) information that is subject to efforts to maintain its secrecy that are reasonable under the circumstances. During the term of this Agreement and after termination of this Agreement Supplier shall take all reasonably necessary actions to prevent unauthorized misappropriation, use or disclosure and threatened misappropriation, use or disclosure of MSI’s Trade Secrets, and, after termination of this Agreement, Supplier shall not disclose the MSI Trade Secrets as long as they remain Trade Secrets, without misappropriation. The Parties agree that nothing in this Agreement shall be construed to limit or negate any statutory or common law of torts or trade secrets, where such law provides MSI with broader protection than that provided herein. Immediately and automatically upon expiration or termination date of this Agreement, without any demand required by MSI, Supplier shall return all materials and information related to MSI’s Trade Secrets to MSI, including copies or restatements thereof, in whatever form or medium. Supplier shall not retain any copies of such materials or information.

(e) Supplier’s obligations of confidentiality regarding MSI’s Confidential Information shall terminate the longer of: (i) five (5) years after termination of this Agreement; (ii) successful completion of applicable Purchase Order(s); or (iii) as otherwise provided in such applicable Purchase Order. Supplier shall, within thirty (30) days of the expiration or termination of this Agreement for any reason, or upon demand by MSI, return all Confidential Information to MSI. Supplier shall immediately cease all use of the Confidential Information. MSI shall be entitled to specific performance and injunctive relief (including any and all other remedies at law or equity) plus reasonable attorney’s fees and court costs incurred in pursuing any breach of Section 9.0 and subparts. Nothing contained herein shall restrict, limit, modify, or amend the ongoing provisions of Non-Disclosure as set forth in Section 9(b).

10.0 Intellectual Property.

(a) Ownership. Each Party shall retain all right, title and interest it may have with respect to Items acquired or developed independently before the effective date of this Agreement. “Items” mean ideas, inventions, discoveries, processes, methods, designs, know-how, strategies, techniques, formulas, models, instructions, specifications, technical information, computer programs including software (in source and object code forms), firmware relating to operating instructions and documentation, trademarks, service marks, and works of authorship of all kinds, including notes, reports, memoranda, writings, plans outlines, research, data, figures, descriptions, drawings, diagrams, charts, sketches, patterns, compilations, lists, surveys, interview guides, and recordings in any form or medium and whether or not patentable or copyrightable.
(b) As between the Parties, MSI shall be the sole owner of and shall have all right, title and interest in all Work Product, including all related copyright, patent and other intellectual property rights, including, without limitation, any derivative works, or inventions or trademarks relating to existing intellectual property. "Work Product" means all items and any other work products conceived, created, developed, produced, prepared, collected, compiled or generated by Supplier, its Affiliates or Representatives in connection with performing the Services or producing the Goods including, but not limited to, modifications and improvements thereto. Supplier shall not cause or permit any Work Product to be subject to any lien or encumbrance. Supplier hereby, irrevocably, in perpetuity and without further consideration, assigns to MSI all right, title and interest that Supplier, its Affiliates and/or Representatives have or may have in the future anywhere in the world in all Work Product.

(c) MSI will be considered the "person for whom work was prepared" for purposes of determining the authorship of any copyright in Work Product, and all copyrightable aspects of Work Product will constitute "works made for hire" as that term is defined in the U.S. Copyright Act, as amended from time to time, or analogous provision under other Applicable Laws, and will be owned exclusively by MSI upon creation. If, and to the extent any of the foregoing, or any part or element thereof, is found as a matter of law not to be a "work made for hire" under Applicable Laws, Supplier hereby irrevocably, in perpetuity and without further consideration, assigns to MSI, its successors and assigns, all right, title and interest that Supplier has or may have in the future in and to all United States and foreign copyrights in Work Product and all copies thereof.

11.0 Indemnification.

(a) Supplier shall defend, indemnify, and hold harmless MSI, its subsidiaries, parent company, Affiliates, Representatives, successors, assigns, shareholders, directors, officers, employees, attorneys, and agents, from and against all claims, suits, cause of actions, legal actions, settlement, judgments, losses, liabilities, liens, damages, assessments, costs, expenses, demands, complaints or actions including, without limitation, reasonable attorney’s fees, court costs and other costs of legal defense, (collectively "Claims") whether direct or indirect, concerning: (i) death, personal injury, or property damage arising or resulting from (A) Supplier or its Representative’s negligence or willful misconduct, and/or (B) the Good/Services furnished hereunder; (ii) nonpayment of wages, benefits, fees, amounts owed, and/or any taxes (including penalties and interest) associated herewith arising from Supplier’s Representatives, suppliers, contractors, and/or materialmen which may include liens or encumbrances on the Goods/Services or the premises on which Goods/Services are located; (iii) a challenge to MSI’s title to the Goods/Services; (iv) infringement or misappropriation of any third party’s intellectual property rights in connection with this Agreement, applicable Purchase Order(s), Goods/Services supplied or to be supplied to MSI or MSI, its Representatives, or MSI’s end users use of the Goods/Services; (v) violation of any Applicable Law; (vi) damage or loss to, or arising out of, from results of MSI furnished property; (vii) unauthorized use or disclosure of Confidential Information whether in accordance with or in breach of this Agreement; (viii) any acts or omissions of Supplier or any of its directors, officers, employees or agents, including, but not limited to negligence, use of defective materials, poor workmanship, lack of conformity to the applicable industry standards or practices or any tortious conduct or willful misconduct; (ix) breach of MSI’s Data Security Requirements, if applicable; (x) breach of this Agreement and/or Purchase Order(s) by Supplier or its Affiliate(s) or Representative(s); or (xi) any default or breach by Supplier of the terms of this Agreement.

(b) Indemnification Procedures. If a legal proceeding is threatened or instituted or any Claim or demand asserted by any person to which MSI may be entitled to indemnification under the provisions of this Agreement, MSI shall provide notice of such Claim to Supplier and Supplier shall defend MSI against such Claim, demand, or legal proceeding at Supplier’s sole expense. Supplier may participate in any such defense with counsel of its choice and at its own expense. Supplier may not settle or otherwise resolve any such Claim, demand, or legal proceeding without the prior written consent of MSI unless such settlement or other restitution explicitly and irrevocably provides that MSI shall have no liability for the matters giving rise to the Claim, demand, or legal proceeding and fully and unconditionally releases MSI from any/all liability with respect to such matters. If the settlement of a Claim may result in ongoing liability to or detrimentally impacts MSI, its Affiliates, Representatives, or end users, then such settlement shall require the prior written consent of MSI. If in the judgment of MSI, Supplier fails to provide a reasonable and timely defense of MSI against such Claim, demand, or legal proceeding, MSI may undertake its own defense and Supplier shall be responsible for the costs and results thereof. If MSI undertakes its own defense, it may negotiate or settle or otherwise resolve any such Claim, demand, or legal proceeding without the consent of Supplier. Any indemnification provided under this Agreement shall include, without limitation, reasonable attorney’s fees, legal costs and expenses and other expenses.

(c) If MSI receives written notice of a Claim, MSI shall give prompt written notice to Supplier. MSI’s delay or deficiency in notifying Supplier shall not relieve Supplier of its duty or obligation to fully defend and indemnify MSI unless such delay caused by MSI materially impacts the defense of the Claim. MSI may retain and have its own counsel of its choosing participate with and attend all related legal proceedings at MSI’s cost.

(d) In a case either Party reasonably believes the Goods/Services, or any part thereof, may be the subject of an intellectual property Claim, Supplier at its own expense shall: (i) procure MSI, its Affiliates, Representatives and/or MSI’s end user’s right to continue using the Goods/Services; (ii) replace with substantially equivalent non-infringing Goods/Services in compliance with specifications set forth in applicable Purchase Order(s); or (iii) modify the Goods/Services in compliance with Applicable Laws so it/they become conforming and in compliance with specifications set forth in applicable Purchase Order(s).

(e) Supplier expressly and specifically waives its immunity under applicable workers’ compensation and/or industrial insurance laws regarding liability against MSI, its Affiliates, Representatives and MSI’s end users for Claims brought by Supplier’s employees against any of them.

(f) Supplier’s agreement to defend, indemnify, and hold harmless MSI, its Affiliates, Representatives and MSI’s end users under the terms above is: (a) independent of and in addition to Supplier’s agreement to procure insurance as may be required; and (b) independent of and in addition to all other rights and recoveries available to MSI, its Affiliates, Representatives and MSI’s end users, whether in law or equity. Supplier’s insurer’s position regarding insurance coverage for MSI, its Affiliates, Representatives and MSI’s end users, as an additional insured, does not in any way modify or limit Supplier’s agreement or obligation to defend, indemnify, and hold harmless MSI, its Affiliates, Representatives and MSI’s end users as required by the terms above.

12.0 Personnel, Subcontractors and Independent Suppliers.
(a) MSI shall have the right to review and approve the qualifications of all personnel Supplier assigns to perform Services hereunder. MSI shall also have the right to designate that any such personnel be removed and replaced. Supplier shall ensure that its personnel adhere to the terms of this Agreement and that they have the requisite knowledge, skill, training and ability to competently perform the Services and/or manufacture and produce Goods hereunder. Supplier agrees to maintain a consistently high skill level among all personnel, including replacement personnel whether the replacement was instigated by MSI or Supplier. Supplier may not subcontract any of the Services to be performed or Goods to be provided hereunder without MSI’s prior written consent.

(b) Supplier may subcontract specific work hereunder only with MSI’s prior written consent. Supplier shall request such consent from MSI using the Subcontractor Authorization form attached hereto as Exhibit A. Approval from MSI will become effective only upon receipt by Supplier of a duly completed and fully executed Subcontractor Authorization form from MSI, which shall then become an integral part of this Agreement.

(c) Supplier acknowledges that it is an independent Supplier, and agrees that personnel used or supplied by Supplier in the performance of the work hereunder shall be employees or authorized subcontractors of Supplier and under no circumstances are such personnel to be considered employees of MSI and shall not be entitled to any rights, benefits or privileges of MSI employees. Neither Supplier nor any of its employees, personnel or agents are authorized, expressly or otherwise, to enter into any agreements or make any commitments, financial or otherwise on behalf of MSI. Supplier shall have the sole responsibility for the conduct of their personnel, and for payment of their personnel’s entire compensation, including salary, withholding of income and social security taxes, pension and retirement benefits, worker’s compensation, employee and disability benefits and the like. Supplier shall be responsible for all employer obligations toward all of its personnel under Applicable Laws.

13.0 Term and Termination

(a) The term of this Agreement shall commence on the Effective Date first stated above and shall remain in effect until terminated in accordance with the terms stated below or as otherwise provided for in this Agreement.

(b) MSI may suspend or terminate this Agreement for its convenience and without cause upon fourteen (14) days written notice to Supplier, and upon receipt of notice, Supplier and its Representatives shall, in addition to complying with the requirements of such notice, immediately: (i) stop production and delivery of all Goods/Services; (ii) accept no orders for Goods/Services; and (iii) protect all Goods/Services under Supplier’s control in which MSI may have a full or partial interest. In the event of a suspension, Supplier shall not resume until the suspension terminates as set forth in MSI’s notice. For a terminated Purchase Order(s), Supplier will provide MSI with written evidence of any costs, if any, Supplier incurred resulting from the termination for convenience within thirty (30) days from the effective date of termination. If the Parties are unable to agree on the compensation for such termination, Supplier shall be paid a reasonable termination charge consisting of a percentage of the Purchase Order(s) price reflecting the percentage of work performed prior to the notice of termination plus the actual direct costs resulting from termination, with such total amount not to exceed the Purchase Order price.

(c) Supplier may terminate this Agreement for its convenience and without cause by providing MSI written notice one-hundred twenty (120) days in advance of termination.

(d) MSI may terminate this Agreement or any Purchase Order or Work Schedule upon fourteen (14) days prior written notice to Supplier in the event Supplier commits a material breach of any obligation hereunder or of any Purchase Order, which material breach has not been cured within fourteen (14) calendar days after receipt of notice of such breach. If Supplier fails to cure the breach within the fourteen (14) day notice period, then the Agreement or any Purchase Order may be terminated at MSI’s discretion upon further written notice to Supplier. If Supplier cures the breach, then upon a second breach of the same obligation by Supplier, MSI may immediately terminate this Agreement upon written notice to Supplier.

(e) Supplier may terminate this Agreement or any Purchase Order or Work Schedule upon thirty (30) days prior written notice to MSI in the even MSI commits a material breach of any obligation hereunder or of any Purchase Order, which material breach has not been cured within thirty (30) calendar days after receipt of notice of such breach. If MSI fails to cure the breach within the thirty (30) day notice period, then the Agreement and any Purchase Order may be terminated at Supplier’s discretion upon further written notice to MSI. If MSI cures the breach, then upon a second breach of the same obligation by MSI, Supplier may immediately terminate this Agreement upon written notice to MSI.

(f) MSI may terminate this Agreement, including any Purchase Order or Work Schedule immediately upon written notice to Supplier in the event that Supplier becomes insolvent or voluntarily commences any proceeding or files any petition under bankruptcy law, ceases business as a going concern, becomes unable to pay its debts generally as they become due, makes an assignment for the benefit of creditors or other relief of debtors, or seeks reorganization or the appointment of a receiver, trustee, custodian, conservator or liquidator for itself, or an involuntary bankruptcy proceeding or petition is filed against Supplier under any bankruptcy law.

(g) MSI may terminate this Agreement, including any Purchase Order or Work Schedule immediately upon written notice to Supplier if Supplier sells, assigns, delegates or transfers any of its rights or obligations under this Agreement without first having obtained the written consent of MSI.

(h) MSI may terminate this Agreement, including any Purchase Order or Work Schedule immediately upon written notice to Supplier if there is a change of control of Supplier. For purposes of this Agreement, a change of control of Supplier means a sale through one or more transactions of substantially all assets of Supplier or the sale through one or more transactions of more than fifty (50%) of the voting stock of Supplier.

(i) MSI may terminate this Agreement, including any Purchase Order or Work Schedule immediately upon written notice to Supplier if Supplier has a material adverse change in its financial condition as determined by MSI.

(j) In the event Supplier terminates this Agreement without cause, or in the event Supplier is in default or otherwise fails to timely comply with any provision of this Agreement, MSI may, at its option, but, if applicable only after expiration of the fourteen (14) day cure period set forth above, take over and complete one or more tasks as set forth in a Purchase Order or Work Schedule, by whatever method MSI deems expedient, including hiring of other
persons or entities under such form of contract as MSI may be deemed advisable, to perform the tasks or any portion thereof, instead of, or in conjunction with Supplier. In such event, Supplier shall not be entitled to receive any further payment under this Agreement until such tasks are completed, and all expenses in excess of those contemplated in a Purchase Order or Work Schedule hereof incurred by MSI, directly or indirectly, to complete such tasks may be set off against any future monies to be paid to Supplier.

(k) The exercise of, or failure to exercise, any right given to MSI under subsection (j) above shall not excuse Supplier from responsibility for compliance with the provisions of this Agreement, nor prejudice any other rights or remedies available to MSI. Supplier shall continue the performance of this Agreement to the extent not terminated or taken over under the provisions of this section as stated above.

(l) Unless Supplier is in breach of this Agreement at the time of termination, no termination of this Agreement shall relieve MSI from its obligation to pay any undisputed monies accrued, due or payable up to the date of such termination. MSI shall retain any and every vested rights that exist on the effective date of termination.

(m) Upon termination of this Agreement for any reason, Supplier shall immediately cease all use of the Confidential Information and shall deliver to MSI all items containing, embodying, relating to or comprising Confidential Information, as well as any other documents, assets or things belonging to MSI that may be in Supplier’s possession. Supplier shall not take or retain any copies thereof.

(n) Neither the expiration nor the termination of this Agreement shall affect any rights of any Party which shall have accrued prior to the date of such expiration or termination and in the event of the termination of this Agreement by a Party because of a breach by the other Party, the terminating Party shall retain its remedy for breach of the entire Agreement or any unperformed portion of this Agreement. The terms of this Agreement which by their meaning and context are intended to survive the termination or expiration of this Agreement shall so survive and in particular, it is expressly agreed by the Parties that the obligations regarding warranty, indemnity and confidentiality shall survive the termination of this Agreement.

14.0 Force Majeure

(a) A Party shall notify the other Party hereto in writing within twenty-four (24) hours of the knowledge of and/or occurrence of a Force Majeure event, and neither Party shall be considered to be in default of this Agreement, Purchase Order or Work Schedule if and to the extent that its failure or delay in performance is actually caused by Force Majeure. “Force Majeure” means any acts of God, governmental action, war, acts of civil or military authority, civil disturbance, riot, lockout, sabotage, embargo, natural disaster, fires, floods, epidemic, pandemic, or any other unforeseen condition beyond the control of such Party, and not due to the negligence or willful misconduct. In the event of a Force Majeure event, a Party shall be excused from performing such obligation(s) for so long as such condition persists, provided however, that such Party shall not be excused from tendering partial performance if the same is possible, and provided further that if any Force Majeure condition persists for more than fourteen (14) days, the Party to whom performance is due shall have the right, in its sole discretion, to immediately terminate this Agreement upon written notice to the other Party.

15.0 Dispute Resolution and Governing Law

(a) If any dispute arises under or in connection with this Agreement that relates to the interpretation, obligations, breach or enforcement of this Agreement, the Parties shall make a good faith effort to resolve the dispute before taking any action. The Parties shall first meet to discuss the dispute not later than twenty (20) days after either Party gives written notice to the other party that such a dispute exists. Such meeting may be held telephonically if travel is impractical for either Party. At such meeting, a duly authorized representative of each Party having authority to resolve the dispute shall be in attendance. If the matter has not been resolved within the first twenty (20) day meeting period, within fourteen (14) additional days either Party may refer the matter to the American Arbitration Association (AAA) for mediation in accordance with the AAA Commercial Mediation Procedures. If the matter has not been resolved within thirty (30) days after commencement of mediation, then notwithstanding the rules of AAA to the contrary, the Parties are free to exercise any legal rights they may have in federal courts located in the Middle District of Pennsylvania or state court located in Cumberland County, Pennsylvania, with the Parties specifically consenting to the personal jurisdiction of such courts; provided, however, that the Parties shall not be precluded from pursuing any rights under this Agreement to which either Party may be entitled or any available form of equitable relief during the course of attempted resolution and mediation. Each Party knowingly, voluntarily, and irrevocably waives all rights to a jury trial in any action or proceeding related in any way to this Agreement, Purchase Order(s) and/or Work Schedules.

(b) The validity, interpretation, construction, and performance of this Agreement shall be governed and construed only by the laws of the Commonwealth of Pennsylvania applicable to contracts and without giving effect to the principles of choice of law provisions or conflict of law provisions thereof.

16.0 Lien Waiver

(a) Supplier for itself and subcontractors, suppliers and materialmen, and all persons acting through them, covenant and agree that no mechanic’s liens or claim shall be filed or maintained by it, them, or any of them against the Services or Goods on the premises upon which or for which the Services performed or Goods produced for or on account of any work or labor done or materials or equipment supplied. Supplier for itself, its subcontractors, suppliers and materialmen, shall waive all rights to have, file or maintain any mechanic’s lien or claim against the Services, Goods or the premises upon which or for which the Services are performed. If requested by MSI, Supplier shall submit a waiver of its lien for material and labor with each application for partial payment. With the second and subsequent applications for partial payment, Supplier shall also submit waivers of lien for material and labor from each subcontractors as of the date of the last prior application for partial payment. In addition, Supplier shall include an affidavit, in a form satisfactory to MSI, stating amounts due or to become due each person, firm, or corporation furnishing material and/or any labor for the work. All waivers shall be duly acknowledged, and all affidavits duly sworn to, before a notary or other authorized officer.

17.0 General Terms and Conditions.

17.1 Notices. Any notice required or permitted by this Agreement shall be (a) in writing, (b) addressed to the principal office or principal place of business of the Party, and (c) delivered by one of the following means; (i) by personal delivery; (ii) by pre-paid, overnight package delivery or courier service; (iii) e-
mail or fax (upon customary confirmation of receipt); or (iv) by the United States Postal Service, first class, certified mail, return receipt requested, postage prepaid. Notice shall be deemed given on the day of delivery or the day of refusal of delivery.

17.2 Headings. The title, headings, and subheadings in this Agreement are included solely for convenience of reference and will not be considered part of, nor affect the interpretation of this Agreement.

17.3 Trademarks. Supplier warrants that it shall not use any trademarks or tradenames of MSI during the term or after termination of this Agreement.

17.4 Publicity. Except with respect to internal business communications or as required by law, Supplier shall not utilize this Agreement or its relationship with MSI for purposes of or in any manner which intentionally gives rise to advertising or publicity, unless an authorized representative of MSI’s Communication’s Team shall consent in writing thereto and in advance thereof.

17.5 Successors and Assigns. This Agreement and Supplier’s obligations thereto shall be binding on Supplier’s representatives, agents, successors and assigns. Supplier acknowledges that this is a personal services contract. Accordingly Supplier acknowledges that Supplier shall not sell, assign, delegate or otherwise transfer any of its rights or obligations hereunder without prior written consent of MSI.

17.6 Severability. If one or more provisions of this Agreement are held invalid or unenforceable by a court of competent jurisdiction pursuant to applicable law, such provision(s) will be deemed separate, distinct, and independent, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such remaining provisions.

17.7 Modification. No amendment, modification or extension of this Agreement or any Purchase Order or Work Order shall be made except by express written consent of an authorized representative of MSI and Supplier.

17.8 Other Terms and Amendments. The terms and conditions contained in any sales order, acknowledgement, invoice, website, letter, writing, software of file (such as “clickwrap,” “shrinkwrap,” or “website terms of use”) or other document or medium shall not be applicable nor amend this Agreement, Purchase Order or Work Order nor bind the Parties or their Affiliates or Representatives.

17.9 Set-Off. MSI shall have the right to set-off and deduct from Supplier’s invoice(s) related to this Agreement, Purchase Order(s) or Work Order(s) any amount(s) owed by Supplier to MSI.

17.10 Non-Waiver and Non-Exclusive Remedy. The failure or delay of MSI to enforce or exercise any right shall not be deemed a waiver of prior or subsequent rights. The rights and remedies of the Parties herein shall not be exclusive and are in addition to any other rights and remedies provided by Applicable Law or in equity.

17.11 Binding Agreement. Supplier acknowledges that it and/or its legal counsel fully understand this Agreement even though it is in the English language and the English language may not be familiar to them. Supplier acknowledges that it has had an opportunity to have this Agreement translated into a more familiar language. Supplier acknowledges that it and/or its counsel have had an opportunity to review this Agreement and that it and/or its counsel are fully aware of the contents of this Agreement and the legal effect of this Agreement.

17.12 Sole Agreement. The Agreement sets forth the complete, exclusive and final statement and understanding of Agreement between the Parties as to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, proposals, representations, negotiations and discussions, whether written or oral, between the Parties regarding such subject matter.

17.13 Counterparts and Facsimile Signatures. This Agreement may be executed in counterparts by MSI and Supplier but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall be deemed an original, but all counterparts shall together constitute one and the same Agreement. Executed copies of this Agreement may be exchanged between the Parties by facsimile or electronically scanned, and facsimile and electronically scanned signatures shall be binding, but the Parties shall provide each other with originally signed copies of this Agreement as soon as possible after the facsimile or scanned execution.

17.14 Exhibits. The Exhibits referenced in this Agreement are an integral part of this Agreement and are hereby incorporated by reference.

17.15 Website Documents. Documents or requirements referenced in this Agreement and contained at MSI and/or Transmaster Trailers website are incorporated herein by reference as if more fully set forth and are binding on Supplier.

17.16 Relationship of the Parties. Supplier, its Affiliates and Representatives are independent contractors of MSI. Nothing herein shall be construed as creating any other relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.

17.17 Mutual Representations. Each Party expressly warrants and represents with respect to itself the following:

(a) the Party is a corporation or other entity duly organized, validly existing, and in good standing under the laws of the jurisdiction of incorporation or formation and has all the necessary corporate or other power and authority to enter into this Agreement and to execute and deliver all documents and instruments as may be necessary, appropriate, or required in connection herewith to carry out the intent and purposes of this Agreement and to perform the obligations hereunder;

(b) there is no restriction under any applicable law that would prohibit or prevent the Party from entering into this Agreement, executing and delivering all documents and instruments as may be necessary, appropriate, or required in connection herewith, and performing its obligations hereunder;

(c) this Agreement constitutes the legal, valid, and binding obligations of the Party, enforceable in accordance with its terms; and

(d) no registration with, consent, authorization, or approval of, notice to, or other action by, any third party entity is required for the execution, delivery, performance of this Agreement by the Party, or if required such registration has been made, such consent, authorization or approval has been obtained, such notice has been given or such other appropriate action has been taken.
Exhibit A

Subcontractor Authorization

MSI understands that Supplier wishes to engage a third party, namely ________________________________, with a place of business at _______________________________ (hereinafter referred to as “Subcontractor”) to assist Supplier in performing certain tasks or in providing certain services for which Supplier has been retained by MSI under the Agreement.

As a condition precedent for permitting Supplier to engage Subcontractor, and prior to allowing possible access to any Confidential and Proprietary Information and technology of MSI, MSI requires assurances that MSI’s rights in such Confidential and Proprietary Information and technology and in the Deliverables, including works of authorship, resulting from Subcontractor’s performance of such tasks and services will not be in any way diminished or impaired.

Accordingly, in consideration of the following covenants and undertakings, the foregoing premises (incorporated herein) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed that:

(a) Subcontractor has read and understands Sections 5 (Warranty), 9 (Confidentiality), and 11 (Indemnity) of the Agreement which are incorporated herein by reference, it acknowledges that it has been provided a copy of such Sections, and Subcontractor agrees to be bound, and hereby assumes the obligations imposed by Supplier, by the provisions of such Sections with respect to the performance of tasks and services delegated by Supplier to Subcontractor;

(b) Prior to revealing such Confidential and Proprietary Information and technology to its employees, Subcontractor shall require each of those employees to agree in writing to, and be bound by, the provisions of such Sections;

(c) Subcontractor shall not delegate, assign, or otherwise transfer, any part of its duties and obligations hereunder;

(d) Subcontractor acknowledges that all defined terms used and not defined herein shall have the same meaning assigned to them as in the Agreement and understands the meaning of such terms;

(e) Supplier’s liability of Subcontractor’s breach of any terms of this document is joint and several with Subcontractor; and

(f) Subcontractor’s authorization to provide such assistance shall be effective only upon receipt by MSI of a fully executed original of this document.

IN WITNESS WHEREOF, Subcontractor and Supplier have caused this instrument to be executed by their duly authorized representatives on the date and year indicated below.

____________________________________  __________________________________
Subcontractor                                      Supplier

____________________________________  __________________________________
Authorized Signature                              Authorized Signature

____________________________________  __________________________________
Print Name                                        Print Name

____________________________________  __________________________________
Title                                             Title

____________________________________  __________________________________
Date                                              Date