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Representative Vendor Contract Terms & Conditions (June 2015)

These terms and conditions (“Terms”) are representative of the terms and conditions Grange requires as part of any agreement (“Agreement”) between Grange Mutual Casualty Company its subsidiaries and affiliates, (“Grange”) and a supplier (“Supplier”). These Terms and Conditions are for **representative purposes only, and do not represent all or the specific terms and conditions to which the parties could agree, and in no way constitute an offer.**

1. Expense Reimbursement

- 1.1 Travel expenses, if any, are not to exceed more than 10% of the proposed Statement of Work Charges, and, must be billed at exact cost. Receipts must be provided with billing statement.
- 1.2 If required, travel arrangements are to be made significantly in advance, whenever possible, to obtain the best rate and lowest discount fare.
- 1.3 Airfare accommodations are to be coach class.
- 1.4 Hotel accommodations must be made using either supplier or Grange negotiated rates. Rental cars are not needed for services provided at Grange; hotel and restaurant accommodations are available within reasonable walking distance.
- 1.5 Maximum reimbursement for meals is \$10.00 for breakfast, \$15 for lunch, and \$25.00 for dinner; alcoholic beverages will not be reimbursed by Grange.
- 1.6 Entertainment expenses will not be reimbursed (example – movies, health clubs).

2. Invoice and Payment Terms

- 2.1 Supplier shall invoice Grange monthly for products and services at the rates and terms set forth in the Statement of Work or each applicable Order. Supplier shall submit an invoice to Grange upon completion of the prior thirty (30) days of Services and no later than sixty (60) days following completion of Services referenced on the applicable invoice, which invoice shall include receipts and other documentation sufficient to support itemized charges and shall reference: (a) The Agreement by contract number; (b) the name of the Grange contact; (c) the billable Grange cost center. Payment of invoices will be due within 45 days of receipt unless Customer has a bona fide dispute with respect to payment of such invoice or portion thereof. If there is a bona fide dispute regarding any invoice rendered or amount paid, the disputing party shall notify the other in writing thereof, and the parties shall use their best efforts to resolve such dispute expeditiously. If an aggrieved party notifies the other in writing of a disputed invoice or payment, and there is a good faith basis for such dispute, the time for paying the portion of the invoice in dispute shall be extended by a period of time equal to the time between receipt of such notice and the resolution of such

dispute. Unless otherwise expressly set forth in the applicable Statement of Work or applicable Order.

If there is a delay in the delivery of any type of invoice to Customer, that is caused by Supplier, the amount of such invoice due and payable by Customer in accordance with the first Section shall be reduced as follows:

- 60 - 89 days overdue – 10% reduction
- 90 - 119 days overdue – 20% reduction
- 120 or more days overdue – 100% reduction

2.2 Unless otherwise expressly set forth in an applicable Statement of Work, Grange will pay to Supplier all taxes that are measured directly by payments made under an Agreement between the parties and are required to be collected by Supplier or paid by Supplier to tax authorities. This provision includes sales, use and excise taxes but does not include Supplier's franchise taxes, taxes based on Supplier's income, or taxes from which Grange is exempted by law. Grange reserves the right to contest any tax. If Grange should pay any such tax to Supplier and it is later held that such tax was not due, Supplier will promptly refund the amount thereof to Grange together with interest on such refunded amount.

3. Confidentiality and Disclosure

3.1. Definitions:

- a) "Receiving Party" means the party receiving Confidential Information from Disclosing Party and includes employees or consultants necessary for Receiving Party to perform its obligations or exercise its rights under the Agreement.
- b) "Disclosing Party" means the party, inclusive of its employees, agents, third-parties or other affiliated individuals, disclosing Confidential Information to Receiving Party.
- c) "Confidential Information" includes, but is not limited to any one of the following:
 - i) non-public information that Disclosing Party designates as being confidential or proprietary or which, under the circumstances surrounding disclosure, Receiving Party should know is considered confidential by Disclosing Party;
 - ii) without limitation, any oral, written, graphic or machine-readable information relating to released or unreleased Disclosing Party software or online products or services;
 - iii) the marketing or promotion of any Disclosing Party product;

- iv) Disclosing Party's proprietary information, business policies or practices, financial information, client lists, any and all information related to the identity of an agency, producer, or licensee and their client lists, insured's or claimants' data, employees' data, technical information, computer systems, infrastructure designs, data, data structures, analysis, compilations, studies, trade secrets, ideas and concepts, methodologies, techniques, templates, generic tools, processes, software, routines, algorithms, code, expressions and data conceived, developed, and any and all other documentation and information, including claims information of any kind;
- v) all information relating to Disclosing Party's process automation platform, supporting business processes, proprietary technology, information and know how, from time to time, for the provision of process automation utilities and services, together with all related user or technical documentation, known at the date of the Agreement.
- vi) all information specifically relating to each and every claim presented under any and all policies issued by Grange to its policyholders;
- vii) the Personal Identifiable Information of any prospective policyholder, current policyholder, former policyholder, claimant, former claimant, current employee, or former employee. Personal Identifiable Information means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted or redacted:
 - 1) Social Security number;
 - 2) Zip code;
 - 3) Driver's license number or state identification number;
 - 4) Account number(s), credit card number(s), debit card number(s), if such number could be used without additional identifying information, access codes, or passwords;
 - 5) Account passwords or personal identification numbers or other access codes; or
 - 6) Any of the items contained in paragraphs (1) through (5) when not in connection with the individual's first name, initial and last name, if the information compromised would be sufficient to perform or attempt to perform identity theft against the person whose information was compromised;
- viii) any and all information provided as part of the Grange claims process, including, but not limited to medical data, medical chart numbers, names of patients, names of medical providers, addresses of medical providers, tax id numbers of medical providers, medical findings, medical treatment, dates, medical diagnosis, medical prognosis, medical history, and personal history of any former

- claimant, current claimant, or prospective claimant whether or not the claims file is closed;
- ix) the terms and conditions of the Agreement but does not include the existence of the Agreement.

3.2. Obligation of Nondisclosure:

- a) Receiving Party will maintain the Confidential Information in the strictest confidence and will not use or copy any Confidential Information, or disclose it to any third-parties except for purposes of performing its obligations or exercising its rights under the Agreement (or with prior written consent of Disclosing Party). Under no circumstance may Receiving Party use the Confidential Information to market or develop any products or services, aid in development or manufacturing processes or assist or accelerate research and development.
- b) Receiving Party will safeguard all Confidential Information, using processes and security measures no less rigorous than it uses to protect its own confidential information of a similar nature, provided that in no event will such measures be less than what is commercially reasonable under the circumstances. At a minimum, Receiving Party agrees to (i) securely store and segregate Confidential Information from its or other's confidential information; and (ii) disclose Confidential Information only to Receiving Party's employees or consultants (provided such consultants are not competitors of Disclosing Party) on a need-to-know basis and ensure that all such individuals are aware of and adhere to the terms of the Agreement. Receiving Party will not copy, alter, modify, disassemble, reverse engineer or decompile any of Disclosing Party's Confidential Information without Disclosing Party's prior written consent. Receiving Party shall comply with all state and federal privacy laws, including the provisions of the Gramm-Leach-Bliley Act.
- c) To the extent permitted by law, should Receiving Party receive a governmental order to disclose the information, Receiving Party will: promptly notify Disclosing Party of the order's existence and scope; assist Disclosing Party with any challenge to the validity or scope of the order; and comply with any applicable protective order or equivalent.

3.3. Limitation:

Confidential Information will not include any information that: is or subsequently becomes publicly available without Receiving Party's breach of any obligation owed to Disclosing Party; was known to Receiving Party prior to Disclosing Party's disclosure of such information to Receiving Party; was known to Receiving Party from a third party without any restriction or obligation of confidentiality; or is independently conceived of and developed by employees or consultants of

Receiving Party without any access to Disclosing Party's information, as proven by written records.

3.4. Notice of Disclosure:

Receiving Party will notify Disclosing Party within 24 hours upon discovery of any unauthorized use or disclosure of the Confidential Information.

3.5. Return of Information:

At the conclusion of the Agreement or at Disclosing Party's request, Receiving Party will return or destroy, in Disclosing Party's sole discretion, all originals, copies, reproductions and summaries of Confidential Information, and will certify in writing to Disclosing Party such return or destruction. Notwithstanding the delivery to the requesting party (or the destruction by the other party) of Confidential Information pursuant to the Agreement, each party and its representatives will continue to be bound by their confidentiality obligations and other obligations under the Agreement. Further, neither party nor its representatives will be required to erase electronically stored Confidential Information that has been saved to a back-up file in accordance with party's or its representatives ordinary back-up practices; provided that such Confidential Information is not otherwise used or referenced and remains subject to the terms of the Agreement.

3.6. Remedies:

- 3.6.1. Disclosing Party retains all rights and remedies afforded it under the patent, copyright, trademark, trade secret, and other laws of the United States or other relevant jurisdictions, and under the common law, and including, without limitation, any laws designed to protect confidential or proprietary information.
- 3.6.2. Receiving Party acknowledges that monetary damages may not be a sufficient remedy for unauthorized disclosure of Confidential Information and that Disclosing Party will be entitled, without waiving any other rights or remedies, to seek such injunctive and other equitable relief (without bond and without the necessity of showing actual monetary damages) as may be deemed proper by a court.
- 3.6.3 Receiving Party will cooperate with Disclosing Party in every reasonable and practical way upon Disclosing Party's request to: a) help Disclosing Party regain possession of the Confidential Information, b) help Disclosing Party notify law enforcement authorities, commissioners of the state insurance departments and those persons whose Personal Identifiable Information has been accessed by unauthorized use or disclosure, and c) prevent further unauthorized use and disclosure of Confidential Information.

3.6.4 Indemnification Regarding Confidential Information

Notwithstanding anything to the contrary herein, in the event any Personal Identifiable Information provided by Grange to Supplier in connection with the Agreement is subject to unauthorized access or acquisition as a result of a security breach or related incident, and applicable state, federal or foreign law requires Grange to provide notice to any individuals whose Personal Identifiable Information is contained within Grange materials, Supplier will be liable for reasonable and necessary costs and expenses that Grange is legally obligated to pay as a direct result of such security-related incident subject to the following conditions:

- a) Supplier shall not be liable for any damages associated with any security-related incident that is caused by Grange.
- b) Supplier's liability for reasonable costs and expenses as set forth in this section shall be limited to those costs and expenses incurred by Grange within one year of the date that customer becomes aware of the security-related incident.

3.7. **Inspection:**

Disclosing Party may visit Receiving Party's premises, with reasonable prior notice and during normal business hours, to review Receiving Party's compliance with the terms of the Agreement.

3.8. **Miscellaneous:**

All Confidential Information is and will remain the property of Disclosing Party. By disclosing information to Receiving Party, Disclosing Party does not grant any express or implied right to Receiving Party to or under Disclosing Party's patents, copyrights, trademarks, trade secret information or other intellectual property rights.

4. **Warranties and Limitations**

4.1. **Representation:**

Supplier warrants and represents that the Services performed under the Agreement shall, in all material respects, conform to the specifications in the statements of work, schedules or attachments.

Supplier warrants that deliverables made pursuant to the Agreement shall not infringe on any third-party trademark, service mark, copyright, patent, trade secret, or other protected third party intellectual property.

4.2. **Remedy:**

Grange may seek any and all available remedies for a breach of Supplier's responsibilities related to the performance of Services or Products including, but not limited to manufacturer's warranties and all other warranties express or implied. Such remedies shall be available to Grange only if Supplier is notified within five (5) business days in writing of the defect or non-conformity or breach and is provided with a reasonable opportunity to cure such defect.

5. **Security**

5.1. **Authorized Personnel:** For the purposes of the Agreement, "Authorized Personnel" shall mean any individual(s) who are employees or agents of Supplier and meet the requirements.

5.2. **Premises:** In the event that any of Supplier's employees shall be in, on or about the premises of Grange, such persons shall (a) comply with requests, rules, and regulations of Grange regarding general safety and security practices or procedures (including the wearing of an identification badge or personal protective equipment), (b) be courteous and professional, and (c) otherwise conduct themselves in a professional and businesslike manner.

5.3. **Drug testing:** Grange will determine based upon the statement of work whether drug testing of Suppliers employees is needed before employee enters the Grange premises. If Grange determines that drug testing is appropriate, Grange will notify the Supplier of the requirements for a drug test to be conducted by Supplier at Supplier's expense. If the Supplier employee fails to pass the drug test, the Supplier employee will not be permitted to work on the project with Grange absent special circumstances determined by Grange.

Background Screening: Supplier warrants that any and all employees, agents, third parties, or other affiliated individuals providing service under the Agreement have completed a background screening and are at minimum, free of felony criminal conviction and have not been convicted of any theft related offenses, sex offenses, crimes of violence, or drug offenses.

6. **Limitation of Liability**

In no event shall either party's aggregate liability to the other, whether based on first party or third party claims, exceed the greater of (1) three times the fees already paid under the Agreement, or fees to be paid if no fees have been paid at the time of the loss that gave rise to the claim under this Agreement, or (2) \$1,000,000. However, there shall be no limit for damages due to the following:

- breach of either party's obligations with respect to the Confidentiality and Disclosure section of the Agreement;

- an infringement of the intellectual property rights of the other party, or a third party as it relates to this Agreement;
- bodily injury (including death) and damages to the other party's property;
- losses arising out of the gross negligence, malfeasance, or misconduct of the other party;
- the failure of one of the party's to pay subcontractors or failure to pay employee withholding, benefits or workers' compensation insurance;
- the repudiation of the contract;
- damages that are not covered by the other party's insurance.

7. Indemnification

Supplier will indemnify, defend and hold harmless Grange, its shareholders, directors, officers, employees, representatives, agents, successors and assigns and will pay any and all damages, costs and expenses (including reasonable attorneys' fees), including those already incurred by the Grange as a result of, or arising out of, claims, suits or demands of third parties caused by a negligent act or omission of Supplier or its' subcontractors, agents or employees during performance of, or Supplier shall defend the other party in accordance with and to the extent of the above indemnification, provided that the indemnifying party is: i) promptly notified by the other party, in writing, of any claims, demands or suits for such damages or injuries; ii) given all reasonable information and assistance by the party to be indemnified; iii) given full control over any resulting negotiation, arbitration or litigation, including the right to choose counsel and settle claims. Indemnifying party shall not admit liability of the Indemnified Party without the written consent of the Indemnified Party.

Supplier shall defend, hold harmless and indemnify Grange against all claims or lawsuits based upon the actual or alleged infringement of any third-party trademark, service mark, copyright, patent, trade secret, or other protected third party intellectual property right. The indemnity shall include, without limitation, all damages, awards and judgments; all court and arbitration costs; reasonable attorneys' fees, including those incurred prior to Supplier assuming defense of the claim; and other reasonable out-of-pocket costs incurred in connection with such claims or lawsuits. Supplier's indemnification obligation is contingent upon its receipt of prompt written notice of any applicable claim, its right to assume control over the defense and settlement of the claim, and Grange's reasonable cooperation, at Supplier's expense, in such defense and settlement.

8. Insurance

Supplier, its employees, agents, third-parties or other affiliated individuals shall at their expense maintain in full force and effect throughout the term of the Agreement insurance coverage with a carrier(s), rated at least A by A.M Best, authorized to do business in the state(s) where the services are performed. Except with respect to Workers' Compensation and Professional Errors & Omissions, each limit is a per occurrence limit: (a) Workers' Compensation -- Statutory Compliance; (b.) Comprehensive General Liability; (Bodily Injury and Property Damage) -- \$1,000,000.00; (c.) Comprehensive Auto Liability (Bodily

Injury and Property Damage) (Owned and Non-Owned) -- \$1,000,000.00; (d.) Professional Errors & Omissions -- \$1,000,000.00; e) Employer's Liability - \$1,000,000.

9. Dispute Resolution

The parties agree that the following alternative dispute resolution procedures are the only available remedies for resolving a dispute between them, and that the procedures shall be followed with respect to any dispute arising between the parties which in any manner arises out of or relates to the subject matter of the Agreement or the conduct of the parties in the performance of the Agreement.

9.1 Negotiation by Senior Executives

- a) Supplier and Grange shall attempt in good faith to resolve any dispute arising out of or relating to the Agreement promptly by negotiation between senior executives who have authority to settle the controversy. Any party may give the other party written notice of any dispute not resolved in the ordinary course of business. Within fifteen (15) days after delivery of the notice the party receiving the notice shall submit to the other a written response.
- b) The notice and the response shall include: (1) a statement of each party's position regarding the matter in dispute and a summary of arguments in support thereof, and (2) the name and title of the executive who will represent that party and any other person who will accompany that executive. Within thirty (30) days after delivery of the notice, the designated executives shall meet at a mutually acceptable time and place and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other shall be honored in a timely fashion.
- c) If the matter in dispute has not been resolved within sixty (60) days after delivery of the notice, or if the parties fail to meet within thirty (30) days, either party may initiate arbitration proceedings as set forth below.

9.2 Arbitration

Any party that refers a dispute to binding arbitration pursuant to the Agreement must provide notice to the other party stating (i) a description of the dispute and (ii) that the dispute is being referred to binding arbitration. Supplier and Grange shall endeavor to agree within fifteen (15) days of filing for arbitration on a panel of three arbitrators, each designating one (1) arbitrator. The two arbitrators so designated shall endeavor to agree promptly on a third arbitrator, which third arbitrator shall be the chair of the arbitral panel. Any party may request the American Arbitration Association (AAA) to designate its arbitrator. If any arbitrator resigns, becomes incapacitated or otherwise refuses or fails to serve or to continue to serve as an arbitrator, the

party entitled to designate that arbitrator shall designate a successor arbitrator. If either Supplier or Grange fails to appoint an arbitrator within forty-five (45) days after written notice from one party to the other describing the dispute, the arbitrator chosen by the party that has chosen an arbitrator shall act as the sole arbitrator. In the event that the two arbitrators appointed by the parties cannot agree on a third arbitrator within ten (10) days following appointment of the second arbitrator, then the third arbitrator shall be appointed by the AAA in accordance with its then applicable rules. The binding arbitration shall be conducted in Columbus, Ohio or such other place as the parties may agree. The arbitration shall be conducted under the then applicable provisions of the AAA to the extent not inconsistent with the provisions of this Section.

10. Supplier Diversity

10.1. Supplier warrants that Supplier has satisfied the requirements necessary to qualify as a Diverse Supplier as defined by Grange herein:

A Diverse Supplier is a business enterprise that is 51% owned, operated and controlled by a minority; woman; veteran; lesbian, gay, bisexual, or transgender (LGBT) and certified as such by one of the following organizations:

- National Minority Supplier Development Council (NMSDC) or Regional Affiliates.
- Women's Business Enterprise National Council (WBENC) or Regional Affiliates
- National Veteran-Owned Business Association (NaVOBA)
- National Gay, Lesbian Chamber of Commerce (NGLCC) or Regional Affiliates

10.2. Supplier warrants that as of the effective date of this Agreement Supplier is certified by one of the following organizations as a Diverse Supplier:

- National Minority Supplier Development Council (NMSDC) or Regional Affiliates.
- Women's Business Enterprise National Council (WBENC) or Regional Affiliates
- National Veteran-Owned Business Association (NaVOBA)
- National Gay, Lesbian Chamber of Commerce (NGLCC) or Regional Affiliates

10.3. Supplier warrants that the certification it provides to this Agreement as an attachment hereto is a true and accurate copy of its current certificate as a Diverse Supplier.

10.4. Supplier warrants that it will immediately notify Grange if Supplier loses its certification as a Diverse Supplier.

10.5. Misrepresentation:

- a) Termination: Supplier agrees that Grange may terminate the Agreement and statement of work at any time if it becomes known at any time to Grange that Supplier misrepresented itself as a Diverse Supplier. If Grange chooses to

terminate the Agreement at any time due to such misrepresentation, Grange will be relieved of the payment of any additional fees, and the results of the services and/or product will become the immediate property of Grange.

- b) Indemnification: Supplier hereby agrees to indemnify Grange from any and all claims presented of whatever nature under the Agreement that would not have occurred BUT FOR misrepresentation of Supplier as a Diverse Supplier.

11. Notices

All notices required or permitted to be given by one party to the other under the Agreement shall be sufficient if sent electronically or in paper form, sent to the correct address provided by the recipient party, so long as the format chosen provides positive confirmation of receipt by the intended recipient.

If to _____, notice must be sent to:

Address _____
Address _____
Attention: _____
Title: _____
Email: _____
Phone: _____

If to Grange, notice must be sent to:

Grange Mutual Casualty Company
671 South High Street
Columbus, OH 43206
Attention: Office of General Counsel
Phone: 614-445-2900

12. General Provisions

Independent Contractor: Each party, its officers, agents, and employees are at all times independent contractors to the other party. Neither Supplier nor any of its agents nor any of its respective employees who perform work in connection with the provision of Services will for any purpose including federal or state tax purposes be considered an employee or agent of Grange.

Governing Law: The Agreement will be governed by and construed in accordance with the laws of the State of Ohio. In the event that any court litigation to enforce a binding arbitration award is filed, the parties consent to the jurisdiction of the state or federal court sitting in Franklin County, Ohio and hereby irrevocably waive any defense based upon venue, inconvenience of forum or lack of personal jurisdiction in any action or suit brought hereunder.

Waiver: The failure of either party to enforce at any time for any period the provisions of or any rights deriving from the Agreement will not be construed to be a waiver of such provisions or rights or the right of such party thereafter to enforce such provisions.

Severability: If any term or provision of the Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or enforceable, the remainder of the Agreement shall be valid and enforced to the fullest extent of the law, and that term or provision shall be deemed severed from the Agreement.

Force Majeure: Neither party shall be liable to the other party or deemed to have breached the Agreement for any failure or delay in the performance of all or any portion of its obligations under the Agreement if such failure or delay is due to any contingency or event beyond its reasonable control (a “force majeure”). Without limiting the foregoing, such contingency includes, but is not limited to: fire, flood, storms, earthquakes, freight embargoes or transportation delays, acts of God or of the public enemy, war or civil disturbances, failure or defects in Internet, telephone or other interconnection service or in electronic or mechanical equipment, or by reason of the bankruptcy, receivership or other insolvency proceeding of any bank or financial institution where funds to pay losses and allocated loss adjustment expenses are held, or by reason of a judgment, ruling or order of any court or agency of competent jurisdiction or change of law or regulation subsequent to the execution of the Agreement. If a force majeure occurs, the party delayed or unable to perform shall give notice to the other party within 48 hours of the conditions that affect the Agreement, and such obligations shall be suspended to the extent and during such time as they are reasonably affected by the conditions set forth above, and the affected party uses diligent efforts to meet its obligations under the Agreement as quickly as possible thereafter, or within 30 days which ever time is the lesser amount of time. If Supplier cannot meet- its obligations under the Agreement within 30 days of the force majeure event, Grange may terminate the Agreement immediately with immediate notice to Supplier without incurring any early termination fees or other liability.

Disclosure: Nothing contained in the Agreement will be construed as conferring any rights to use, or to refer to in any advertising, publicity, promotion, marketing or other activities, any name, trade name, trade or service mark, or any other designation of Grange or any of its subsidiaries or affiliates. Supplier agrees not to disclose to any third party other than its agents that it has performed or contracted to perform Services hereunder for Grange, or any of the terms or conditions of the Agreement, without the prior written consent of Grange.

Assignment: The Agreement will inure to the benefit of and be binding upon the parties, their successors and assigns. Neither party will assign, delegate or otherwise transfer the Agreement or any of its rights or obligations hereunder without the other party’s prior written approval.

Audit: Upon thirty (30) days prior written notice, Grange may audit Supplier’s records, policies, procedures, etc at a mutually agreeable place during regular business hours.

Entire Agreement: The Agreement contains the entire agreement between the parties with respect to the subject matter herein and supersedes all other agreements, written or oral, and may not be modified except by means of a written document, executed by both parties.