

**Representative Supplier Contract Terms & Conditions  
(June 2019)**

These terms and conditions (“Terms”) are representative of the terms and conditions Grange requires as part of any agreement (“Agreement”) between Grange Insurance 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.**

**WHEREAS**, Supplier is engaged in the business of providing professional services; and

**WHEREAS**, Grange desires to obtain the professional services provided by Supplier;

**NOW THEREFORE**, in consideration of the mutual promises, covenants and agreements contained herein, the parties have agreed and do agree to the Agreement as follows:

**1. Services**

- a. Supplier shall provide the services, advice, work product and other deliverables (collectively, the "Services") as set forth in one or more statements of work (each a "Statement of Work" or "SOW") agreed between Grange and Supplier, which shall be attached hereto and/or by reference incorporated herein.
- b. Grange will timely provide Supplier with the documentation, information, access to its personnel and cooperation that Supplier reasonably requires to provide the Services.

**2. Pricing & Expenses**

- a. Supplier fees for the Services shall be set forth in the applicable SOW and shall, when possible, be itemized by resource and resource hours worked, rate, product, service, and taxes to support invoice verification.
- b. Supplier will make all reasonable efforts to achieve the lowest possible expenses and agrees to the following:
  - i. Total expenses related to any SOW will not exceed 10% of the proposed fees for that SOW.
  - ii. Expenses will be invoiced at cost.
  - iii. An expense detail will be provided with each invoice and receipts will be made available to Grange upon request.
  - iv. Travel arrangements will be made as far in advance as possible.
  - v. Airfare accommodations will be booked at lowest price class available.

- vi. Hotel accommodations will not exceed \$150.00 per night unless approved in advance by Grange.
- vii. Travel hours will not be billable.
- viii. Rental cars will not be reimbursed.
- ix. Entertainment expenses will not be reimbursed (example – movies, health clubs).
- x. Maximum reimbursement for meals is \$10.00 for breakfast, \$15 for lunch, and \$25.00 for dinner; alcoholic beverages will not be reimbursed. Reimbursement amounts are per person, per meal and will not be accumulated, rolled over, or shared.

### 3. Invoice and Payment Terms

- a. **Invoice Terms:** Supplier shall invoice Grange monthly for products and services at the rates and terms set forth in the SOW. Invoices shall be itemized such that they can be verified against the SOW. Payment on invoices will be due within 45 days of receipt. Receipt of an invoice that is sent electronically shall be deemed to occur when sent via electronic mail to Grange, if sent during normal business hours (eastern standard time), and if not, then on the next business day.
  - i. **Invoice Schedule:** Supplier agrees to submit an invoice in accordance with any periodic payment schedule as explicitly stated in an applicable statement of work, itemized for all hours worked, tasks performed (in reasonable detail) to which project, expenses to be reimbursed, any applicable software or hardware, and any other charges.
  - ii. **Invoice Delay.** If there is a delay in the delivery of any type of invoice by Supplier to Grange, and the delayed invoice is received within ninety (90) days of services rendered, subject to Section 3.a above, and within the same calendar year, Grange shall pay such invoice within 45 days of receipt. Except for charges that are incurred within the last ninety (90) days of the calendar year, subject to Section 3.d below. Grange shall not be responsible for payment of any delayed invoices received in a subsequent calendar year.
- b. Unless otherwise expressly set forth in the applicable Statement of Work, Grange will pay to Supplier all taxes that are measured directly by payments made under this Agreement 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. In no event shall Grange be responsible for taxes based on the net income of Supplier. Supplier shall be solely responsible for taxes based on the net income of Supplier. Supplier shall be solely responsible for the timely request for collection from Grange, and the timely reporting and remittance to the appropriate governmental

authority of applicable taxes, including all penalties for any failure by Supplier to pay, withhold, or report such taxes. Grange shall not be responsible for any late fees or penalties due to Supplier's failure to invoice Grange for taxes or to timely remit payments made by Grange to the applicable authorities

- c. If there is a good faith 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. Undisputed portions of any invoice shall be paid as stated above.

#### 4. Term, Renewal and Termination

- a. **Term:** The Term of this Agreement shall commence on the Effective Date as set forth above and continue for a period of 5 years. This Agreement will not automatically renew. Either party may submit a written notice of its desire to renew the Agreement at least 90 days prior to the end of the Term, however, renewal terms will be subject to renegotiation.
- b. **Suspension of Services**
  - i. **By Supplier.** If Grange should fail to make any fee or expense reimbursement payment to Supplier when due or otherwise breach the Agreement and/or any Statements of Work or Attachments, Supplier shall have the right to suspend performance of the Services, in whole or in part, and/or to terminate its engagement to perform the Services, in whole or in part. Upon any such suspension or termination, Supplier shall be entitled to immediate payment for all work performed and expenses incurred or committed by Supplier through the date of suspension or termination.
  - ii. **By Grange.** In the event that Grange directs a suspension of services, the remaining work shall be suspended pending written notice by Grange to continue the services. Supplier shall be entitled to reimbursement for those proven costs and expenses incurred up to the notice of suspension. In the event that a suspension lasts longer than thirty (30) days, Grange understands that if services are restarted thereafter different resources of comparable training, experience, and costs may result.
- b. **Termination for Cause:** Either party may terminate this Agreement immediately upon written notice (i) with the occurrence of a material breach by the other party, which material breach has not been cured within thirty (30) days written notice, or (ii) when the other party becomes the subject of a voluntary or involuntary petition in bankruptcy or any voluntary or involuntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors.
- d. **Termination for Convenience.** In addition, either party may terminate this Agreement or any SOWs for any cause or no cause, upon 10 days written notice. Subject to the foregoing, promptly following a notice of termination, Supplier shall take all reasonable

action to cause an orderly wind down of all work in progress so as to minimize further costs to Grange.

- e. **Termination of Services.** Except with respect to any termination due to a material breach by Grange pursuant to the above provisions, following the effective date of any termination of this Agreement or of any SOW and/or Service by either party, Supplier shall, as requested by Grange and for a period determined by Grange of up to three (3) months (such period, the "Transition Period"), (i) continue to provide the services of the SOW and perform its other responsibilities under this Agreement as requested by Grange, and (ii) provide to Grange and, at Grange's written request, Grange's designee(s), such reasonable termination assistance services requested outlined in writing by Grange to assist Grange and its designee(s) in smoothly transitioning Grange to one or more third parties, products, and/or services designated by Grange (the "Termination Services"). Grange will compensate Supplier as applicable for the Termination Services performed by Supplier at the same rates as those paid by Grange for the most recent service of the SOW which is being terminated, or if no such rates are provided under the applicable SOW, at such rates as may be mutually agreed upon by the parties. All terms and conditions of this Agreement shall continue to apply during the Transition Period, the term shall be deemed extended to include the Transition Period (and the effective date of the termination by either party shall be deemed to include the Transition Period), and Supplier will perform all Termination Services with at least the same degree of accuracy, quality, completeness, timeliness, responsiveness and resource efficiency at which it was required to provide the same or similar services prior to termination, and will ensure that the quality and level of professional service and/or product is not degraded during any Transition period (unless otherwise requested by Grange).
- f. **Effect of Termination.** In the event this Agreement is terminated for any reason, Grange shall pay Supplier within thirty (30) days of the termination any amounts owed, but not yet paid, for approved expenses incurred and work performed prior to termination. Upon any expiration or termination thereof, or at any time upon Grange's written request, Supplier shall promptly provide to Grange all deliverables (whether complete or incomplete) which have been paid for in full. Neither party shall be liable to the other party for damages of any kind solely as a result of terminating this Agreement in accordance with its terms. The following sections shall survive (in accordance with their terms, to the extent applicable) any expiration or termination of this Agreement entitled Survival: Confidentiality & Disclosure, Warranties & Limitations, Limitation of Liability, Security, Indemnification and Defense, Insurance, Dispute Resolution, Notices, all General Provisions except Force Majeure

**5. Solicitation of Consultants:** If any individual assigned by Supplier (a "Consultant") has completed a minimum of six (6) months or 180 days of continuous full-time work at Grange for Supplier, then Grange may employ or engage the services of such Consultant, either directly or indirectly, without any financial compensation or liquidated damages payment owed to Supplier from Grange.

- a. If at any time Grange wishes to hire any Consultant provided by Supplier, then the Client may request that the Company release the Consultant from his/her employment contract with Supplier to allow Grange to employ or engage the services of the

Consultant, either directly or indirectly. Grange acknowledges and agrees that Supplier, in its sole and arbitrary discretion, has the right to accept or refuse any such request of Grange to employ or engage the services of the Consultant supplied by Supplier to Grange. If Supplier has accepted the Grange request to employ any Consultant, either directly or indirectly, and if such Consultant has not completed at least six (6) months of continuous full-time employment at Grange for Supplier, then Grange will pay Supplier, as liquidated damages, an amount equal to 10% of first-year's salary, with Grange.

- b. Grange has the right to terminate any Consultant upon written, oral, or electronically-transmitted notice to Supplier or to such Consultant without any formal notice.  
Confidentiality and Disclosure

## **6. Confidentiality & Disclosure**

### **6.1 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 this 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 this 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. “Personal Identifiable Information” also referred to as “PII” means any and all of the following information or data (regardless of form or format of the information or data, and regardless of the media on which that information or data is embodied):
  - (i) any information or data that can be used to identify or locate a person or entity or the activity, assets or health information of a person or entity, including, but not limited to, names, addresses, driver’s license number, state identification numbers, social security numbers, e-mail addresses, user names, user numbers, passwords, personal identification numbers, account numbers, account information, transactional information or history, claim history, credit/debit card numbers, credit report information, passwords, security codes and any Protected Health Information under The Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) (“HIPAA”); and (ii) any other personal information that is protected by any governmental, federal, state, municipal or local laws, statutes, rules and regulations the United States of America including, but not limited to, the rules and procedures applicable to the Payment Card Industry Data Security standards, that pertain to data protection, data security, privacy, and breach notifications protecting the confidentiality and privacy rights of personal data.
- 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 this Agreement but does not include the existence of this Agreement.

**6.2 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 this Agreement or an applicable SOW (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 (including security measures) no less rigorous than it uses to protect, avoid unauthorized access, use, disclosure, destruction, loss, publication, alteration, or dissemination of its own confidential information of a similar nature and importance, 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) not use the Confidential Information except for purposes of performing its obligations hereunder and to exercise its rights as specifically granted in this Agreement (the "Purpose") and to (iii) 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 this Agreement. Receiving Party will not copy, alter, modify, disassemble, reverse engineer or decompile, or provide access to 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.
- d. The confidentiality obligations of this section shall comply survive the termination or expiration of this Agreement for a period of seven (7) years.

### **6.3 Limitation:**

- a. With the exception of Personal Identifiable Information, 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.
- b. Notwithstanding anything to the contrary set forth in this Agreement, in no instance may any personnel or employee of Supplier and/or its subcontractors and/or affiliates (i) access and/or use any Personal Identifiable Information, unless such access is specifically authorized by Grange to enable performance for the Purpose hereunder and (ii) release, transfer, store, disclose, disseminate, copy or download any Personal Identifiable Information.
- c. Neither Party shall disclose any of the terms of this Agreement to any third party without the prior written consent of the other Party; provided that either Party may disclose the existence of this Agreement and either Party may disclose the terms of this Agreement: (i) to legal counsel of the Parties; (ii) in confidence, to accountants, banks, and financing sources and their advisors solely for the purposes of a Party's securing financing; (iii) in connection with the enforcement of this Agreement or rights under this Agreement; or (iv) in confidence, in connection with an actual or proposed merger, acquisition, or similar transaction solely for use in the due diligence investigation in connection with such transaction.

**6.4 Notice of Disclosure:** Receiving Party will notify Disclosing Party within 24 hours upon discovery of any unauthorized access, use or disclosure of the Confidential Information.

**6.5 Return of Information:** Within 10 days of an express request, or within 5 days of expiration or termination of this Agreement, Receiving Party shall (a) where possible, return all of the Disclosing Party's Confidential Information received under this Agreement, including all copies or partial copies thereof in any form or format, and (b) destroy any such information that cannot be returned, using methods reasonably acceptable to the Disclosing party, and provide the Disclosing Party with a written certification of its destruction signed by an officer of the Receiving Party. The Receiving Party may retain the Disclosing Party's Confidential Information to the extent required pursuant to the Receiving Party's regular record retention procedures, subject to (i) the Receiving Party's continued compliance with the terms and conditions of this Agreement with respect to all retained Disclosing Party Confidential Information; and (ii) destruction of retained Disclosing Party Confidential Information by the Receiving Party in accordance with the timing required by the Receiving Party' standard document retention and destruction policy using methods reasonably acceptable to the Disclosing Party.

**6.6 Remedies:**

- a. 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.
- b. 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.
- c. 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.
- d. Notification and Indemnification Regarding Personal Identifiable Information.
- e. In the event Supplier knows or reasonably believes that there has been any unauthorized acquisition, disclosure, use of and/or access to Personal Identifiable Information (a "PII Breach"), Supplier shall take the following actions: (i) immediately notify Grange of such PII Breach, but in no event more than 24 hours after discovery of the PII Breach; (ii) identify for and disclose to Grange at no cost to Grange the specific data, by customer and/or account number, which has or may have been Breached; (iii) monitor any affected accounts for any unusual activity (if appropriate); and (iv) to the extent such Breach is caused by Supplier, its affiliates and/or their contractors and/or employees or is a result of an act or omission by Supplier, its affiliates and/or their contractors and/or employees; (A) take measures immediately designed to contain and control the incident and prevent further unauthorized access, (B) implement a plan designed to remedy the circumstances that permitted such PII Breach to occur, and (C) cooperate with Grange as



reasonably necessary to facilitate Grange's compliance with any applicable privacy laws regarding unauthorized access of Personal Identifiable Information. Supplier will be liable for all reasonable and necessary costs (including costs relating to forensic investigations, costs of notice to individuals and other credit monitoring and credit restoration charges), fines, sanctions and expenses associated with any PII Breach.

- f. Supplier shall not be liable for any damages associated with any security-related incident to the extent it is caused by Grange.

**6.7 Inspection:** Disclosing Party may visit Receiving Party's premises at Disclosing Party's sole cost, with no fewer than 30 days' prior written notice to Receiving Party and during Receiving Party's normal business hours, to review Receiving Party's compliance with the terms of this section 6 entitled Confidentiality and Disclosure.

**6.8 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.

## 7. Warranties and Limitations

a. **Services.** Supplier warrants and represents that:

- i. it has the full right, power and authority to enter into this Agreement and perform its obligations outlined herein.
- ii. all Services shall be performed and delivered in a competent, professional and workmanlike manner consistent with the standards of professional and ethical competence and integrity in Supplier's industry.
- iii. the Services performed under this Agreement shall, in all material respects, conform to the specifications in the Statements of Work, Schedules or Attachments.
- iv. deliverables made pursuant to this Agreement shall not infringe on any third-party trademark, service mark, copyright, patent, trade secret, or other protected third party intellectual property.
- v. there are no methods for gaining access to Grange's computer resources or data of Grange (such as master access key, ID, password, backdoor or other trap door) other than those required and approved by Grange under the applicable SOW.
- vi. all post-acceptance updates, changes, alterations or modifications, if any, to the Services by Supplier shall be compatible with, and shall not materially diminish the features or functionality of the Services in accordance with all terms and conditions herein
- vii. it is a duly organized and validly existing corporation organized under the laws of the state of \_\_\_\_\_.
- viii. all licenses and/or other rights, if any, transferred or granted hereunder to Grange by Supplier are free and clear of all liens, claims, demands and encumbrances of any kind whatsoever;

- ix. it shall utilize any information of, or obtained from Grange only in accordance with all federal, state and municipal laws, rules, ordinances, statutes, code, and/or regulations, including without limitation any such laws, rules, ordinances, statutes, codes, and/or regulations relating to customer or consumer privacy;
- x. no employee, agent or representative of Grange has been offered, has received, or shall receive, directly or indirectly, any material benefit, free, commission, dividend, gift, or consideration of any kind in connection with this Agreement, and Supplier shall not, at any time offer gratuities or any material merchandise, cash, services or other inducements to the employees, agents or representatives of Grange as incentive for subsequent purchases.

## 8. 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 this 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:

- a. breach of either party's obligations with respect to Sections 6 and 7 of this Agreement;
- b. an infringement of the intellectual property rights of the other party, or a third party as it relates to this Agreement;
- c. bodily injury (including death) and damages to the other party's property;
- d. losses arising out of the gross negligence, malfeasance, or misconduct of the other party;
- e. the failure of one of the party's to pay subcontractors or failure to pay employee withholding, benefits or workers' compensation insurance;
- f. the repudiation of the contract;

damages that are not covered by the other party's insurance.

## 9. Security

- a. **Authorized Personnel:** For the purposes of Section Nine ("Security") of the Agreement, "Authorized Personnel" shall mean any individual(s) who are employees or agents of Supplier and meet the requirements of paragraph 9.3. below.
- b. **Premises:** In the event that any of Supplier's employees, representatives, agents, designees, or subcontractors 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.

- c. **Drug testing:** Grange will notify Supplier when a Supplier conducted drug test is unnecessary as determined by Grange. Supplier warrants that it will conduct drug testing of each individual who it proposes will work with Grange. Supplier warrants that if an individual proposed by Supplier fails the drug test, Supplier will notify Grange 1) within 48 business hours of each individuals' proposed start time with Grange, and 2) annually thereafter.
- d. **Background Screening:** Supplier warrants that any and all employees, agents, third parties, or other affiliated individuals providing service under this 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 at the time they perform Services for Grange. Supplier warrants that if Proposed Personnel fail or fails the background screening, Supplier will notify Grange 1) within 48 hours of each individual's proposed start time with Grange, and 2) annually thereafter.

Grange reserves the right at any time and for any reason to cancel the services of an individual recommended by Supplier.

- e. **Information Security:** Supplier shall maintain an information security program that includes appropriate administrative, physical, and technical safeguards that are reasonably and appropriately designed to protect the confidentiality, integrity, and availability of any information technology systems and software and networks by: 1) ensuring the security and confidentiality of PII; 2) protecting against any anticipated threats or hazards to the security or integrity of such PII; 3) protecting against unauthorized access to or use of such PII that could result in substantial harm or inconvenience to Grange; and 4) by distributing such PII in secure manner.

To comply with the safeguard obligations generally described above, Supplier has designated an employee to coordinate its information security program, (b) identified reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of PII that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such PII, and assessed the sufficiency of any safeguards in place to control these risks, and (c) designed and implemented information safeguards to control the risks identified through the risk assessment, and regularly tests or otherwise monitors the effectiveness of safeguards' key controls, systems and procedures.

At a minimum, such policies and procedures shall include risk assessment and controls for: (i) resumption of Supplier's business operations, including system and data access; (ii) incident response; and (iii) security of data and information. Supplier agrees to provide Grange with a summary of its current policies, procedures or programs, upon written request. Supplier will conduct disaster recovery testing at least annually and provide a summary of the test results to Grange, if requested in writing. Supplier warrants that it, its representatives, employees, and agents will adhere to HIPAA and the requirement of the Health Information Technology for Economic and Clinical Act as incorporated in the American Recovery Aid Reinvestment Act of 2009 (the 'HITECH Act'), and will comply with all of Grange's policies and procedures regarding

information security and data protection in performance of Supplier's obligations under this Agreement .

## 10. Indemnification and Defense

- a. Each party (the "Indemnifying Party") will indemnify, defend and hold harmless the other party and such party's shareholders, directors, officers, employees, representatives, agents, successors and assigns (collectively, the "Indemnified Party") and will pay any and all damages, costs and expenses (including reasonable attorneys' fees), including those already incurred by the Indemnified Party as a result of, or arising out of, claims, suits or demands of third parties caused by (1) a negligent act or omission of the party providing indemnification or its' subcontractors, agents or employees during performance of services hereunder, or (2) as a result of any non-performance of obligations under this Agreement. All indemnification shall be reduced to the extent damage or injuries are attributable to the Indemnified Party, its subcontractors, agents or employees by way of negligence, malfeasance, willful conduct, fraud, or criminal conduct.
- b. Infringement Indemnification. Supplier shall, at its sole cost and expense, defend, hold harmless and indemnify Grange, its users, directors, officers, agents, employees, and principals (collectively "Grange Indemnitees") 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.
- c. Indemnification Procedures. The Indemnifying Party shall defend the other party in accordance with and to the extent of the above indemnification (provided that any delay in providing such notice shall not relieve the Indemnifying Party of its indemnification obligations to the extent the Indemnifying Party is not materially prejudiced thereby) and give the Indemnifying Party authority, reasonable information and assistance (at the Indemnifying Party's expense) for the defense of such action. The Indemnifying Party shall not, without the Indemnified Party's prior written consent, enter into any settlement agreement which (a) admits guilt, fraud, liability, or wrongdoing of the Indemnified Party; (b) requires the Indemnified Party to commit to action or to refrain from action; or (c) provides for any damages other than money damages for which the Indemnified Party is indemnified. The Indemnified Party reserves the right to participate in the defense of any indemnified claim at the Indemnified Party's cost.

## 11. 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: (a) Workers' Compensation -- Statutory Compliance; (b.) Commercial General Liability; (Bodily Injury and Property Damage) -- \$1,000,000.00 per occurrence and \$2,000,000 aggregate; (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.

Further, the Supplier shall carry the following stand-alone insurance policy: Data Breach Insurance policy in the amount of at least \$10,000,000.00 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. Such policy shall include coverage for the following: Privacy Liability, Privacy Regulatory Claims, Security Breach Response, Security Liability, Cyber Extortion, Business Income and Digital Asset Restoration, and a minimum of \$100,000 coverage for Payment Card Industry Data Security Standards Assessment. Supplier shall be responsible for all deductible and expenses resulting from any Data Breach claim and agrees to indemnify and hold Grange harmless from any such claims.

## **12. Dispute Resolution**

- a.** 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 this Agreement or the conduct of the parties in the performance of this Agreement. Invocation of this Section will not prevent a non-breaching party from exercising its right to terminate this Agreement under Section 4; "Term, Renewal, and Termination."
- b. Negotiation by Senior Executives:**
  - i.** the parties shall attempt in good faith to resolve any dispute arising out of or relating to this 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.
  - ii.** 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 or the executive's designee 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 or their designees 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.

- iii. 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 in the Arbitration section of this agreement.

**c. Arbitration:**

- i. Any party who refers a dispute to binding arbitration pursuant to this 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 of whom has legal expertise in the services being provided, with each arbitrator thereafter 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 who preferably has legal experience in information technology issues. 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 who has legal expertise in the services being provided. If either party fails to appoint an arbitrator within forty-five (45) days after written notice from one party to the other describing the dispute, then the arbitrator chosen by the party who has selected 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. Each party shall pay the costs of the arbitrator it selected, and divide between themselves the costs of the third arbitrator.
- ii. All arbitration proceedings, including evidence and settlements, shall be confidential and shall not be used or disclosed by either party or the arbitrators for any purpose other than resolution of the dispute by the arbitrators. The award of the arbitrators shall be in writing and state the reasons for the award.

### **13. Notices**

All notices to Grange regarding a PII Breach must be sent to Grange within 24 hours of discovery of such PII Breach to 1) [wichmanj@grangeinsurance.com](mailto:wichmanj@grangeinsurance.com), AND 2) by overnight mail

(at Supplier's expense) to 671 South High Street, Columbus, Ohio 43206, Attention: Office of General Counsel.

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

|   |                                       |
|---|---------------------------------------|
| If to Supplier, notice must be sent to: | If to Grange, notice must be sent to: |
| Addressee:                              | Grange Mutual Casualty Company        |
| Address:                                | 671 South High Street                 |
| Attention:                              | Columbus, OH 43216-1218               |
| Title:                                  | Attention: Office of General Counsel  |
| Email:                                  | GC@GrangeInsurance.com                |
| Phone:                                  | (800) 422-0550                        |

#### 14. General Provisions

- a. **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.
- b. **Governing Law**: All disputes between the parties will be governed by and construed in accordance with the laws of the State of Ohio. In the event that any court litigation is filed to enforce the decision of an arbitration panel, 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.
- c. **Waiver**: The failure of either party to enforce at any time for any period the provisions of or any rights deriving from this 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.
- d. **Severability**: If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or enforceable, the remainder of this Agreement shall be valid and enforced to the fullest extent of the law, and that term or provision shall be deemed severed from this Agreement.
- e. **Force Majeure**: Neither party shall be liable to the other party or deemed to have breached this Agreement for any failure or delay in the performance of all or any portion of its obligations under this 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, acts of God or of the public enemy, war or civil disturbances, widespread geographic failure in Internet, widespread geographic 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 this 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 this 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 this Agreement as quickly as possible thereafter, or within 10 days whichever is the lesser amount of time. If Supplier cannot meet its obligations under this Agreement within 10 days of the force majeure event, Grange may terminate this Agreement immediately upon notice to Supplier without incurring any early termination fees or other liability. In the event Grange terminates pursuant to this clause, Grange shall be entitled to a refund of all prepaid fees on a prorated basis.

- f. Disclosure:** Nothing contained in this 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 this Agreement, without the prior written consent of Grange.
- g. Assignment:** Neither party will assign, delegate or otherwise transfer this Agreement or any of its rights or obligations hereunder without the other party's prior written approval. However, either party may assign this Agreement and its rights, interests and benefits hereunder to any entity which has acquired or succeeded to a substantial part of such party's business. The assigned may be a corporate Affiliate or successor of that Party. An Affiliate means, as to Supplier or Grange, any entity that, at any given time, directly or indirectly, controls, is controlled by or is under common control with Supplier or Grange, as applicable, whether through ownership of voting shares, by contract or otherwise. Except to the extent forbidden in this section, this Agreement will be binding upon and inure to the benefit of the parties' respective successors and assigns. Except as expressly set forth herein, there are no third-party beneficiaries to this Agreement. In no event may either Party assign this agreement to a competitor of the other Party without the prior written consent of the other Party.
- h. Compliance:** Grange reserves the right to audit Supplier's compliance with the terms of this Agreement upon 30 days written notice to Supplier. In the event that Grange finds supplier to be non-compliant with the terms of this Agreement, Supplier will take action to remediate and bring itself into compliance within 30 days of the date of written notice. If Supplier is not able to bring itself into compliance with the terms of this Agreement as set forth in this paragraph, Grange shall have the right a) to terminate this Agreement and receive a refund of all prepaid fees to Supplier on a prorated basis; and b) to seek reimbursement from Supplier of all Grange's incurred cost and expenses in conducting the audit and enforcing compliance.
- i. Survival:** The provisions under the following headings shall survive termination of this Agreement: Confidentiality and Disclosure; Limitation of Liability; Information



Security; Indemnification and Defense; Dispute Resolution; Notices; Governing Law; Waiver; Disclosure; and Assignment.

- j. Mode of Execution: This Agreement may be executed by:
- i. An original written ink signature of paper documents;
  - ii. An exchange of scanned or facsimile copies showing the original written ink signature of paper documents;
  - iii. Electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that the signature is unique to that person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document in such a manner that if the data is changed, such signature is invalidated.

The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Agreement. This Agreement may be executed in one or more counterparts each of which, when duly executed, shall be deemed an original.

- k. Anti-Bribery and Corrupt Practices Controls. Supplier represents, warrants and covenants that it is familiar with, has complied with, and will comply, in all respects, with laws regarding anti-bribery, anti-corruption and the offering of unlawful or improper inducements, including to the U.S. Foreign Corrupt Practices Act, as amended, and other applicable anti-corruption and anti-bribery laws (collectively, the "Corrupt Practices Laws"), and will not engage in any transaction that could be deemed bribery. Supplier shall maintain in place throughout the term its own policies and procedures to prevent corruption and bribery, including adequate procedures as required by applicable law, and will enforce them where appropriate. Supplier shall immediately notify Grange of any actual or suspected violation of any Corrupt Practices Laws.
- l. Complete Agreement. This Agreement shall comprise the complete and exclusive statement of the agreement between the parties and supersede any prior discussions or agreements, oral or written, between the parties. This Agreement may be modified or superseded solely by written amendment or addendum hereto with a reference hereof and signed by both parties. The terms of any proposal, invoice, ordering document, online materials, or click through materials will not be binding on Grange and will not be construed to modify this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the Effective Date.

[Signature block on next page]

**Grange Mutual Casualty Company  
(Officer Signature)**

**(Supplier)  
(Authorized Signatory)**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_