

**BROKER SOURCING SERVICES AGREEMENT**

This agreement sets forth the terms and conditions that will govern the Broker Sourcing Services Agreement (“Agreement”) with ***[sourcing services provider name]*** having its principal place of business at ***[sourcing services provider address]*** (“Supplier”) and Snap-on Logistics Company, a subsidiary of Snap-on Incorporated, having its principal place of business at 2801 80th Street, Kenosha, Wisconsin 53143, USA (“Snap-on”). Individually Supplier or Snap-on may be referred to as a “Party” or collectively as the “Parties.”

**RECITALS**

**WHEREAS**, Supplier procures products and Snap-on wishes Supplier to furnish sourcing services to Snap-on.

**WHEREAS**, Snap-on wishes to have Supplier purchase products related to Snap-on’s business that are mutually selected and identified by the Parties in writing (“Products”) from third-party suppliers and manufacturers (“Sub-suppliers” or “subcontractor”) using Supplier’s sourcing services to establish supply agreements with Sub-suppliers for the Products (“Supply Agreements”).

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants set forth herein, the Parties agree as follows:

# Supplier Code of Business Conduct

Guided by Snap-on’s core beliefs and values as laid out in the “Who We Are” statement, Snap-on’s commitment to integrity and social responsibility extends to its worldwide supply base. Snap-on requires all suppliers to, and Supplier agrees that it will, regardless of location, conduct business in a manner that complies with the standards set forth in Snap-on’s Supplier Code of Business Conduct, which is hereby incorporated into the terms and conditions of this Agreement. The Supplier Code of Business Conduct can be found at <https://www1.snapon.com/corporate/suppliers/business/conduct.nws>

# SNAP-ON AFFILIATES

Supplier will accept Purchase Orders (“PO”) from, and sell Products to, any Snap-on subsidiary or affiliate or division thereof (“Snap-on Affiliate”). Each PO from a Snap-on Affiliate is subject to the terms of this Agreement as if such Snap-on Affiliate signed this Agreement. The term “Snap-on” in this Agreement refers to the Snap-on Affiliate that placed the PO and such Snap-on Affiliate will be solely responsible for such PO.

# TERM

The Initial Term of this Agreement is the period beginning ***[mm/dd/yyyy]*** and ending ***[mm/dd/yyyy]***. The Initial Term will automatically renew for successive one (1) year Renewal Terms, unless either party provides written notice of termination to the other party at least ninety (90) days prior to expiration of the Initial Term or any Renewal Terms.

# SOURCING SERVICES

* 1. **Selection of Sub-suppliers:** The selection of Sub-suppliers shall be based on capability, pricing, quality and performance, pursuant to the Service Levels outlined in the SLA attached as ***Exhibit B.*** Supplier shall use due diligence in accordance with applicable industry standards when selecting any Sub-suppliers. Supplier shall have the continuing duty to provide and maintain an up-to-date list of Sub-suppliers. Snap-on must be notified immediately if there are any changes in Sub-suppliers. Supplier agrees that Snap-on shall have the right to reject the use of any Sub-Supplier selected by Supplier at any time and at Snap-on’s sole discretion, even in instances where prior authority to use such Sub-Supplier has been authorized by Snap-on.
	2. In the event of any dispute, disagreement or claim arising from, out of or under, or in any way related to any Sub-Supplier’s work, service, Product, or Product component, Supplier shall work to mitigate any impact on Snap-on in cooperation with Snap-on.

#  Supplier shall facilitate direct contact between Snap-on and Sub-suppliers upon Snap-on’s request.

# Supplier shall draft product or packaging specifications for each Product and shall work with Sub-supplier as necessary or as directed by Snap-on.

# Without limiting the indemnification obligations outlined in the Indemnification Section, to the fullest extent permitted by law, the Supplier shall indemnify and hold harmless Snap-on (“Snap-on” in this section refers to Snap-on Incorporated and its subsidiaries) and the Distribution Associates, as defined in the Indemnification Section, from and against all liability costs, expense, claims, damages, including but not limited to attorney’s fees, arising, directly or indirectly, out of or relating to Sub-suppliers’ work, services, or supply of Product or Product components, whether or not alleged to have been caused in part by the acts of Snap-on, including but not limited to actions necessary to enforce the obligations of this Agreement and mitigate damage to Snap-on resulting from Sub-Suppliers’ actions or inactions.

* 1. Supplier shall conduct due diligence on each Product supplied to Snap-on to ensure that Products do not infringe any US patent, trademark, or copyright. Supplier shall not knowingly source Product that infringes any intellectual property rights.
	2. Supplier shall have no authority to contract with Sub-suppliers on behalf of Snap-on.
	3. Upon request and reasonable notice under the circumstances, Snap-on may visit and qualify the Sub-supplier.

# CONTRACTS WITH SUB-SUPPLIERS

# The Supply Agreements with Sub-suppliers for the purchase of Products shall be entered directly between Supplier and each of the Sub-suppliers.

# Supplier shall ensure that all Sub-Supplier work and services and any Products or Product components supplied by Sub-Suppliers shall be furnished and performed in strict accordance and consistent with the terms of this Agreement and requirements therein pursuant to the Supply Agreements with such Sub-Suppliers. Supplier will enforce all the terms and conditions of the Supply Agreement with each Sub-supplier including quality inspections, timely deliveries to Snap-on, exclusivity, and Snap-on’s intellectual property rights. To the extent the terms of this Agreement are applicable to the performance of the Sub-suppliers’ work, service, Product, or Product component, Supplier shall require Sub-Supplier to assume all obligations and duties that Supplier has toward Snap-on within the Supply Agreement with the Sub-Supplier.

# Supplier shall ensure that its Supply Agreements with Sub-Suppliers states that the Supply Agreements are assignable to Snap-on, in the event that this Agreement is terminated for cause, assuming that Snap-on accepts the assignment.

# PRODUCT COST

Product costs are based on the Parties mutual agreement regarding each Product’s pricing. Supplier guarantees the Product pricing against increases ***for one (1) year from the date the pricing is agreed upon*** (“Price Guarantee Date). Prices are firm as of the date a PO is issued by Snap-on. The Product cost effective date is based on the Snap-on PO date, not date of shipment of Products. Product cost increases after the Price Guarantee Date are to be presented to Snap-on at least ninety (90) days prior to the effective date of the change.

Supplier represents to Snap-on that the prices paid by Snap-on are as low as the prices at which Supplier is currently selling similar products to comparable customers in similar quantities. If Supplier makes a general price reduction during the term of this Agreement for the Products, that price reduction will apply to all POs issued after the date of the general price reduction.

Snap-on expects to work closely with Supplier to drive costs out where joint efforts lead to:

Technology/system improvements

Production/operating cost reductions, and

The elimination of non-value added activities from joint supply chain.

# PAYMENT TERMS AND INVOICING

# Terms: 2% ten (10), net sixty (60) days

# Invoices will be issued and paid in accordance with these payment terms after the receipt and acceptance of Products. Submit invoices per PO instructions.

 Snap-on shall have no liability for payment of invoices issued by Sub-suppliers.

# SUPPLIER LEAD TIME

# The lead-time, as agreed by the parties for each Product, is in business days from issuance of a PO until it is received at Snap-on receiving dock. Supplier will ship at a 100% COT (complete on-time) of the requested ship date detailed on the PO.

# REBATE

# Terms: [*type in terms*]

# Frequency: [*type in terms (e.g. to be paid monthly / quarterly / annually*)]

# Form of Collection: [*type in terms (e.g. credit memo / check / debit*)]

# Rebate Period: [*type in terms (e.g. January through December)*]

# Comments: [*type in any additional terms not listed above*]

# MARKETING FUNDING

As a valued Supplier to Snap-on, you will provide Marketing Funding to support Snap-on’s marketing programs at an amount of **[X]**% of invoices paid during a quarter as stated in Marketing Funding Addendum, as applicable. Funds will be collected via debit one month after the quarter for the previous quarter.

# SUPPLIER WARRANTY IMPLEMENTATION AND PRODUCT QUALITY

* 1. Supplier represents that it is qualified and has the capacity to locate, select, and negotiate with Sub-suppliers.
	2. Supplier’s Product warranty, as reviewed and approved by Snap-on, will be passed through to the customers on the date Products are purchased by the ultimate end user. In addition to the Product warranty, Supplier warrants and guarantees that the Products will be: free from manufacturing defects; manufactured in accordance with agreed specifications and samples and applicable Laws; clear of all liens and encumbrances with good and marketable title; and merchantable and fit for the purposes for which the Products are intended to be used.
	3. Supplier acknowledges that product quality and timely deliveries are of paramount importance to Snap-on and this Agreement is conditioned upon product quality equivalent to or better than Snap-on’s current supply sources and timely deliveries. To the extent that quality or timely delivery fails to meet Snap-on’s requirements and Supplier fails to cure within a reasonable period, such failure shall constitute a default under this Agreement. Without limiting Snap-on’s rights with regard to such default, Snap-on may request that Supplier develop procedures and SOPs that will result in Supplier reaching delivery timelines. Supplier will comply with the most recent version of the Snap-on Supplier Quality Manual. All costs related to inadequate quality are the responsibility of the Supplier.
1. In-warranty returns: **[*type in terms*]**
2. Supplier will provide 100% reimbursement for all Products returned for Product failures, recalls and corrective actions.
3. Warranty Re-imbursement

Terms: ***[type in terms]***

Frequency: ***[type in terms (e.g. to be paid monthly / quarterly / annually)]***

Form of Collection: ***[type in terms (e.g. credit memo / check / debit)]***

Warranty Period: ***[type in terms (e.g. January through December)]***

Comments: ***[type in any additional terms not listed above]***

# FREIGHT TERMS

# See Snap-on Freight Policy

**FOB Terms: *[Destination or Origin]***

# PACKAGING SPECIFICATIONS

Supplier will ensure that all Products are packaged according to the Snap-on Packaging Specifications.

All packages, packaging components, and packaged retail-ready products purchased by Snap-on must be in full compliance with all requirements of toxics in packaging legislation, restricting the use of four metals (mercury, cadmium, lead, or hexavalent chromium) in packaging and packaging components. Supplier is required to furnish a certificate of compliance to Snap-on upon request.

# COMPETITIVE PRICE

Snap-on may notify Supplier if Snap-on determines that it can purchase a substitute for one or more similar products at prices that are at least five percent (5%) lower than those stated in this Agreement. Supplier will have thirty (30) calendar days from the time Snap-on notifies Supplier to determine whether to match such lower prices. If Supplier has notified Snap-on that it elects to match the prices, such lower prices will apply to POs issued on or after the date of Supplier notice. If Supplier notifies Snap-on that it does not elect to match the prices by the end of the thirty (30) calendar-day period, Snap-on may elect to eliminate such Products from this Agreement, subject to the intellectual and industrial property rights of Snap-on.

# TOOLING

# Tooling payments made by Snap-on will be covered by a Bailment Agreement. Tooling paid for by Snap-on is solely owned by Snap-on and will be clearly marked as Snap-on property. All tooling drawings and spare die parts are also the property of Snap-on. All tooling, tooling drawings and spare die parts: (i) supplied by Snap-on, (ii) developed by Supplier or a Sub-supplier for Snap-on or in order to provide Products to Snap-on hereunder (except to the extent such tooling is only replacing existing tooling used by Supplier or Sub-supplier to produce products prior to the date of this Agreement), or (iii) paid for by Snap-on either directly or indirectly (collectively “Snap-on Tooling Items”), shall only be used for the manufacture of the Products. Supplier and its Sub-Supplier(s) may not make profit off any Snap-on Tooling Items through either the sale of Snap-on Tooling Items or use of the Snap-on Tooling Items to manufacture parts for other customers. Upon notice, all of the Snap-on Tooling Items, including those items in the control of Supplier’s Sub-Supplier(s), will be made available for inspection or shipment to another location at Snap-on’s direction. In the event Supplier’s Sub-Supplier(s) use Snap-on Tooling Items to supply Product, Supplier must ensure the Snap-on Tooling Items are properly controlled in accordance with this section. The applicable Supply Agreement must, at a minimum, provide Snap-on a right to enter Sub-Supplier’s premises and audit Sub-Supplier’s use of Snap-on Tooling Items and provide Snap-on a right to remove Snap-on Tooling Items or require their return immediately upon fulfillment of applicable orders, termination of this Agreement, termination of the subcontract, or a determination by Snap-on that the Sub-Supplier is using Snap-on Tooling Items in a manner contrary to this section.

# MUTUAL CONFIDENTIALITY AGREEMENT

# This Agreement and its terms and conditions are confidential and governed by the provisions of the attached Mutual Confidentiality Agreement (“MCA”), which is hereby incorporated into this Agreement. The MCA will remain in effect during the term of this Agreement regardless of any expiration date stated in such MCA. Supplier shall bind each target Sub-Supplier to such confidentiality by having each target Sub-supplier sign a MCA, using the form attached as *Exhibit A.* This Confidentiality Agreement shall be required of all target Sub-suppliers, even when no Supply Agreement is ultimately entered into with the target Sub-supplier. Supplier covenants to monitor and ensure that Sub-suppliers and their owners, directors, officers and employees do not disclose or use the Confidential Information except in connection with the applicable Supply Agreement.

1. **PERFORMANCE METRICS**

Supplier must meet or exceed the minimum performance metrics as set forth by Snap-on (for example: Quality, Complete-On-Time (COT), Cost, etc.) On all Product shipments, Supplier will inspect for quantity and quality. Snap-on or its agents have the right to make its own inspection and reject any Products not complying with the applicable PO. Snap-on may dispatch, at its own expense, a quality control person to work with Supplier personnel for purposes of inspection of any aspect of production by Supplier or a Sub-supplier. Such persons will be granted unrestricted access to that portion of Suppliers’ or Sub-suppliers’ plant facilities where Products are manufactured; may take possession and control of a reasonable number of samples, and in cooperation with Supplier's or Sub-suppliers’ engineers, have the right to review quality control with respect to the material and workmanship of Products being manufactured by Supplier or Sub-suppliers.

# EXCLUSIVIVITY

Snap-on, and/or jointly developed with Supplier or Sub-supplier, design and specifications will be exclusive to Snap-on.  Supplier and any Sub-suppliers shall sell the exclusive Products to Snap-on directly, or through the Supplier to Snap-on, and no one else.

Supplier may not be the only supplier to sell products with functionality similar to the Products to Snap-on or provide sourcing services to Snap-on. Snap-on may also design, manufacture, market and sell products with functionality similar to the Products or otherwise procure similar products.

# TERMINATION AND POST TERMINATION OBLIGATIONS

Both parties have the right to immediately terminate this Agreement if: (a) the other party breaches this Agreement and does not completely remedy a curable breach within thirty (30) days after receiving notification from the other party; (b) upon written notice to the other party that such party committed an incurable breach; (c) the other party becomes insolvent or bankrupt, files for reorganization or a receiver or trustee is appointed; or (d) the other party merges, is acquired or effects a substantial change in asset, ownership or management. In any event, both parties have the right to terminate this Agreement for convenience, without cause, upon ninety (90) days prior written notice. Upon termination by either party, Supplier will deliver all completed Products to Snap-on that were ordered by an accepted PO. Snap-on has the right, with appropriate documentation, to set-off any payments due Supplier against claims against the Supplier by a third party.

# PRODUCT DISCONTINUANCE RIGHTS

Snap-on has the right, for any reason, upon ninety (90) days prior written notice, to discontinue purchases of Products, or any Product, from Supplier by canceling any PO in whole or in part, or by termination of this Agreement.If Snap-on decides to exercise its right to discontinue purchases of a Product or terminate this Agreement, Supplier will be required to promptly comply with the request to minimize the exposure. In the case of private label Products, Snap-on, at its option, may repurchase at cost from Supplier all name plates, Operating Instructions and Parts Manuals (OIPM), cartons, dies, and other private label related materials or may require Supplier destroy above referenced materials, and certify to Snap-on that the Supplier has destroyed such materials. In the event Supplier’s Sub-Supplier(s) supplied any private label related materials pursuant to this Agreement, Supplier shall ensure that such Sub-Supplier(s) either deliver or destroy such materials pursuant to Snap-on’s election as noted above and will certify that any materials not purchased by Snap-on have been destroyed by the Sub-Supplier(s). All notices will be communicated in writing to the names and addresses listed in the Agreement. Such notices are effective immediately.

1. **PO CANCELLATION**

# Snap-on reserves the right to cancel any PO in whole or in part any time. Supplier will cease production immediately upon notice of cancellation from Snap-on for any undelivered Products. Supplier shall use its best efforts to minimize work in progress (WIP) and component inventory. In the event of cancellation, Snap-on will pay for all delivered Products at the purchase price against such PO. Snap-on may reimburse Supplier for WIP and component inventory, based on actual costs incurred by Supplier, subject to a review by Snap-on for validity of any amounts claimed and Supplier’s obligation of mitigation. In no event, will Snap-on reimburse for WIP or component inventory that is not supported by the amount that would be required to deliver Products pursuant to the canceled PO.

# SUPPLIER’S ADDITIONAL OBLIGATIONS

# Supplier will provide Snap-on replacement parts as needed for all Products. Supplier will continue to support Snap-on replacement parts requirements for all Products discontinued by Snap-on or Supplier for a period of three (3) years for national branded items and five (5) years for private label items, unless otherwise negotiated between both parties.

# The following are the Supplier’s continuing obligations when either Supplier or Snap-on discontinues or terminates selling some or all Products purchased by Snap-on under this Agreement (as applicable):

1. Rebates/Marketing Funds will be paid to Snap-on through the final shipment of discontinued Products;
2. Supplier must notify Snap-on immediately regarding any potential or actual stop sales, Product recall or corrective action on a Product distributed by Snap-on for a period of five (5) years from date of last shipment. Refer to Supplier Warranty section of this Agreement for additional information regarding stop sales and recalls; and
3. Supplier will immediately notify Snap-on of any regulatory issues, rulings and changes affecting discontinued Products for five (5) years after Supplier’s last shipment to Snap-on.

# CONDITIONS OF PURCHASE

# All Snap-on purchases are subject to and governed by this Agreement and MCA. This Agreement includes and applies to all items (tangible and intangible) purchased by Snap-on from Supplier, including, without limitation, products currently purchased from Supplier and previously purchased from Supplier (“Product(s)”).

# ELECTRONIC TRANSACTIONS

Snap-on and Supplier will electronically transmit and receive to/from each other, via standard agreed formats, business documents in place of conventional paper-based documents, either directly or through a designated third party system, included, for example:

1. Purchase Order
2. Acknowledgements
3. Advance Ship Notices (ASN)
4. Invoices

The Parties acknowledge that such transactions are legally valid and enforceable as a result of the use of available electronic technologies, which is for the mutual benefit of the parties.

# INTELLECTUAL PROPERTY RIGHTS

Any creation or development of any products, technology, software, advertising or marketing concepts or ideas, or other original works of authorship or invention relating to Snap-on’s products, processes or business, whether created before or after the date of this Agreement, (collectively the “Works”) will be owned exclusively by Snap-on; provided, however, Supplier is not transferring ownership of formulas, processes, algorithms, ideas, inventions, know-how, techniques or patents, copyrights, trademarks, trade secrets or other proprietary rights (not relating to Snap-on’s products, processes or business) owned by Supplier prior to the date of this Agreement (collectively “Supplier’s Preexisting Knowledge”). Without limiting the foregoing, the Parties acknowledge that new Products sourced by Supplier could be based on a Party’s product design and specifications of a Party and a Sub-supplier. The product design and specifications and all intellectual property related to these new Products shall be owned by Snap-on unless the new Product results from Supplier or Sub-Supplier’s sole effort or intellectual property. Additionally, any modifications made to existing Products shall be owned by Snap-on. Supplier shall not file and shall ensure that its Sub-suppliers will not file any patents applicable to the Products, Works or otherwise resulting from Confidential Information provided by Snap-on. Any such patents will be assigned to Snap-on and inure to its benefit. Supplier grants to Snap-on a perpetual, unrestricted, royalty-free, worldwide non‑exclusive, paid-up license to the Supplier’s Preexisting Knowledge to the extent Supplier’s Preexisting Knowledge is included in or related to, in whole or in part, the Works. Any Snap-on part or product that is, relates to or incorporates the Works may be used by Supplier for the sole purpose of preforming under this Agreement. To the extent the parties have executed a Product, Technology and Creative Rights Agreement, that agreement will control as to this subject matter. If the parties have executed a Product, Technology and Creative Rights Agreement, Supplier shall be required to enter into a Creative Rights Agreement with any Sub-Supplier(s) that, at a minimum, requires such Sub-Supplier to assume all obligations and duties that Supplier has toward Snap-on within Supplier’s Creative Rights Agreement.

1. **TAXES, FEES, DUTIES**

Supplier is responsible for all taxes, fees and duties of any type levied or imposed by any governmental body or quasi-governmental body in Supplier's country of manufacture. Snap-on shall have no liability for any similar taxes applicable to any Sub-suppliers.

# ANTI-CORRUPTION COMPLIANCE

Supplier will comply at all times with applicable laws, regulations, orders, judicial decision, conventions and international financial institution rules regarding corruption, bribery, ethical business conduct, money laundering, political contributions, gifts and gratuities, or lawful expenses to public officials and private persons, agency relationships, commissions, lobbying, books and records and financial controls (“Anti-Corruption Laws”). The Anti-Corruption Laws include, without limitation, the Foreign Corrupt Practices Act, a law of the United States of America and the United Kingdom Bribery Act, a law of the United Kingdom.

Supplier is aware that Snap-on may be sanctioned under the Anti-Corruption Laws in the event Supplier, directly or indirectly offers, promises or makes payments to government officials or others for the purpose of influencing decisions favorable to Snap-on.

Supplier acknowledges that no officer or other major decision maker of Supplier, now or during the term of this Agreement, is, or will become, an official of any government agency or a corporation owned by a governmental unit where Supplier does business without prior written notice to Snap-on.

Supplier further acknowledges that Snap-on may withhold payment if Snap-on has reason to believe the Supplier is in breach of this Anti-Corruption Compliance provision. Snap-on has the right to audit the Supplier’s records in order to satisfy itself that no breach of this provision has occurred.

# PRODUCT REGULATORY COMPLIANCE

Product regulatory compliance for the Snap-on Incorporated branded products (including without limitation, SNAP-ON, BLUE-POINT, WILLIAMS, BAHCO, SIOUX and CDI) includes safety approvals and certifications, radio transmission certification, EMC compliance as well as environmental requirements including energy efficiency.

From time to time, governmental authorities issue product-based directives that regulate product content in a manner which restricts ingredients or imparts a ban on the sale of non-compliant products or packaging in designated geographic regions. Examples include, without limitation, RoHS, WEEE, decaBDE, REACH and DMF regulations in the European Union, and Proposition 65 in California.

In addition, Snap-on is subject to regulations regarding CONFLICT MINERALS as set forth in Section 13(p) of the Securities Exchange Act of 1934, and any rules and regulations promulgated from time to time with respect thereto (the “Conflict Minerals Rules”).

Under no circumstances will banned substances be present in the Snap-on Incorporated branded products, or used in the processes used to manufacture Snap-on Incorporated branded products.

Restricted substances, which are allowed, but should, if possible, be replaced with acceptable alternatives.

To ensure there is no interruption in Snap-on supply chain, Snap-on requires its suppliers to comply with the product requirements applicable to the goods supplied based on the locations of Snap-on’s customers.

The Supplier will comply with all applicable product requirements, and will immediately notify Snap-on in a mailed writing or by e-mail, with a confirmed response of receipt, of any change in compliance (resulting from changes to the product(s) or to the applicable requirements) that could impact product supply or distribution. Supplier will also complete and sign specific Snap-on compliance surveys upon request, and agree to undergo periodic audits conducted by Snap-on, or by a third party designated by Snap-on, to verify compliance with applicable product requirements and to enable Snap-on to comply with its obligations under the Conflict Minerals Rules.

As requirements change, Supplier is also responsible for timely response to future compliance requests that may become enacted after the date of this Agreement.

# STOP SALES, RECALLS AND CORRECTIVE ACTIONS

Supplier will immediately notify Snap-on in writing and by e-mail of any potential or actual stop sale, Product recall or corrective action on a Product distributed by Snap-on, and consult with Snap-on prior to undertaking any action. Supplier will, upon request, immediately reimburse Snap-on for all business interruption costs, associated with the stop sale, Product recall or corrective action. The business interruption costs include, but are not limited to, reasonable cost with identification and notification of customers as well as the processing of a recall through Snap-on’s system (including labor and materials for the repair and replacement of Products, freight and handling charges, customer service, administration, etc.). Nothing in this section prevents Snap-on from taking any corrective action necessary or appropriate for Products that are branded with Snap-on Marks and Supplier will reimburse Snap-on for all costs Snap-on incurs as stated in this section and the Indemnification section.

# INDEMNIFICATION; INSURANCE

a) Supplier will indemnify, defend upon request and hold harmless Snap-on (“Snap-on” in this section refers to Snap-on Incorporated and its subsidiaries) and the Distribution Associates, as defined herein, from any and all Claims (i) resulting from injury or death to any person or damage to any property arising directly or indirectly from or in connection with any of the Products; (ii) asserted in any governmental proceeding or action with respect to the Supplier’s Products; (iii) on account of any actual or alleged infringement or other violation of patent, trademark, trade names, trade secrets, copyright or other proprietary rights arising out of the manufacture, use or sale of Supplier’s Products; (iv) resulting from Supplier’s breach of this Agreement; or (v) arising directly or indirectly from any act of the Supplier’s Sub-Suppliers. This indemnity and defense applies to all Claims and damages, regardless of nature and designation, whether based on breach of contract, breach of warranty, strict liability, product liability, negligence, the Supplier or Supplier’s Sub-Supplier’s misappropriation of any intellectual property rights of Snap-on or any violation by Supplier or Supplier’s Sub-Supplier’s obligations under the Agreement, including but not limited to the Tooling, Intellectual Property Rights, Indemnification, Insurance, and Sourcing Services sections of the Agreement, or any other tort or theory of liability. It includes indemnity for (a) all damages of any kind, including punitive or exemplary damages, and (b) any costs and expenses, including attorney’s fees, incurred by Snap-on or a Distribution Associate while assisting in or presenting any defense or investigating or remediating any conditions. This defense and indemnity includes claims that Snap-on or the Distribution Associate was negligent or at fault for any reason, including Snap-on’s or the Distribution Associate’s own conduct. It also includes but is not limited to any Claim that Snap-on or the Distribution Associate was at fault for not inspecting or testing the Products or not analyzing the design of the Products or for negligently inspecting, testing or analyzing the design of the Products or for selling the Products based upon knowledge it had or should have had, or for entering into this Agreement. This indemnity and defense is in addition to the warranty and remedy obligations of Supplier. “Claim” or “Claims” includes claims, lawsuits, liabilities, notice of property damage or personal injury and losses of any kind. Snap-on or the Distribution Associate may, at its sole discretion and at Snap-on’s or the Distribution Associate’s own expense (as applicable), be represented by and actively participate through its own counsel in any such proceedings. “Distribution Associates” means Snap-on, agents, divisions, subsidiaries and affiliates, employees, insurers, successors and assigns, dealers and franchisees of Snap-on or any Snap-on Affiliate.

b) For Claims based on claimed infringement or other violation of patent, trademark, trade names, copyright or other proprietary rights, in addition to its obligation in subsection (a) of this section, Supplier will, at its expense, promptly obtain a competent opinion of counsel that the Supplier’s Products can continue to be sold and used, and at Snap-on’s option, either (i) procure for the Distribution Associate and Purchasers the right to continue to sell and use the Supplier’s Products; (ii) replace the Supplier’s Products with non-infringing products that are functionally equivalent in all material respects; or (iii) refund the purchase price for the Supplier’s Products.

c) If Supplier refuses or fails to indemnify and defend Snap-on as required under this Agreement, Snap-on may defend itself and make decisions regarding strategy, including settlement, that it deems appropriate without limiting its right to pursue a claim against Supplier for indemnification. Supplier will be responsible for all costs, expenses and liabilities incurred by Snap-on in such event.

d) Subsections a), b) and c) of this section survives expiration or other termination of this Agreement.

e) For the Initial Term and any Renewal Term of this Agreement, Supplier will maintain occurrence-based commercial general liability insurance, including products coverage, vendors coverage and contractual indemnity coverage, which (i) names Snap-on, its parent and its Distribution Associates as additional insureds to provide defense and indemnification protection to Snap-on and its Distribution Associates, (ii) is issued by insurers with an A.M. Best’s Rating of at least “A- VII” and that are otherwise acceptable to Snap-on, and (iii) provides coverage for bodily injury, death and property damage liability with “each occurrence” in an amount not less than $5,000,000 for motorized Products and in an amount not less than $2,000,000 for all other Products. Supplier’s liability is not limited by the limits of such insurance policies. Supplier will furnish Snap-on with certificates of insurance annually. All policies of insurance procured or maintained hereunder (a) will provide that coverage there under will not be terminated, cancelled or non-renewed without at least thirty (30) days’ written notice to Snap-on, and (b) will be primary and non-contributory to any insurance carried by Snap-on or any Distribution Associate, and (c) will remain in effect for 3 years after termination of this Agreement.

# CUSTOMS AND ORIGIN CRITERIA REQUIREMENTS

# In those instances where Snap-on is the resident Importer of Record, Snap-on will be responsible for all applicable customs duties, taxes and fees, unless otherwise agreed. Supplier’s invoice to Snap-on will contain, for each line item or good, all information necessary to allow for efficient entry of goods into the destination country, including, but not limited to, brief accurate written product descriptions, purchase price, correct and current harmonized tariff codes (minimum 6-digits), correct country of origin designation, applicable INCO Term, when applicable, the itemized inland or international freight charges, applicable cargo insurance costs, and any special non-standard packaging costs.

1. Supplier agrees to promptly submit to Snap-on, any documents required by U.S. Government law or regulations to allow entry of the goods into the U.S., including any material safety data sheets, and any documents or information required by the FCC, FDA, EPA or other US government agency documents.
2. In the event of the commencement of any U.S., destination or Free Trade Agreement (FTA) government

Investigation or audit, including valuation, classification, antidumping/countervailing duty, or other item, Supplier agrees to cooperate with the U.S. or foreign Government, or both the U.S. and foreign Governments and Snap-on, including promptly providing any required information on the origin, manufacture and sale of the Products (prices, quantities, terms of sale, etc.) in its home and export markets, as required or requested by the applicable body conducting the investigation or audit.

1. As instructed and required by law or regulation, Supplier will clearly and correctly mark all products and packaging with the country of manufacture (origin).
2. Supplier will promptly notify Snap-on, in writing within 10 business days, of any changes in the status of the country of manufacture (origin) supplied in any previous communication or certifications with or sent to Snap-on.
3. If the Products are eligible for any reduced or preferential duty program, including any FTA or Generalized System of Preferences (GSP), Supplier agrees to follow all program requirements as outlined within U.S. or applicable destination country customs regulations. As instructed by Snap-on, Supplier will promptly furnish all documentation and other required information to establish and verify eligibility and origin of all products.
4. For those Sub-suppliers whose goods originate in North America (Canada, Mexico or the US only), all goods should be certified under the North American Free Trade Agreement (NAFTA).

h) NAFTA REQUIREMENTS – Suppliers will provide Snap-on, with respect to all goods and transactions that are eligible for FTA, NAFTA, or Special Program, a valid, complete and properly formatted certificate of origin for each Product (i) upon initial purchase by Snap-on, (ii) annually thereafter, (iii) when a revision to a prior origin certificate is required or (iv) when requested a certificate is requested by Snap-on. Complete annual origin certification process must be fully completed, signed, dated and sent to Snap-on, via the CTI system, or such other system identified from time to time by Snap-on, (x) by the 15Th of December each year, for the upcoming year, or (y) within 10-business days of any origin changes or purchase by Snap-on of any new product. Current US FTA, NAFTA, or Special Program eligible nations can be found on the US Customs website @ [www.cbp.gov](http://www.cbp.gov).

1. ISF-10 REQUIREMENTS – For all ocean shipments sent to any Snap-on U.S. facility/location, where Snap-on is the designated USA Importer of Record, Supplier will or will cause the shipper to, no less than 4-business days **prior** to loading the cargo/container onto the vessel in the overseas port, provide both Snap-on and Snap-on’s designated agent all information required to properly and successfully complete the required ISF-10 filing with US Customs. Any fines assessed to Snap-on by US Customs related to late, incomplete or missing ISF-10 filing, caused by either the Supplier or the shipper, will be debited back, in full, to the Supplier.
2. C-TPAT Requirements – Snap-on Incorporated, as the parent company for all Snap-on US companies and facilities, is a participant in the US C-TPAT Supply Chain Security Program for all inbound US shipments - air & ocean. Each year Snap-on Incorporated is required by US Customs to verify our logistics supply chain security procedures with all Snap- on suppliers, both US and Non-US suppliers. To meet this requirement, suppliers and sub-suppliers will comply with the required supply chain security verification process coordinated through Snap-on Logistics.

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1. **GOVERNMENT CONTRACTS**
2. DELIVERY REQUIREMENTS – Time is of the essence. All product must be delivered by or before the date stated in the order. Supplier is liable for any damages incurred if the delivery date is not met.
3. ELIGIBILITY STATUS - Supplier certifies that it and its Sub-suppliers are not debarred, suspended or otherwise ineligible to receive contracts or orders from a federal agency. Supplier agrees to provide written notice if the eligibility status changes at any time during the period of this Agreement
4. Supplier certifies the Product supplied is manufactured in the United States or, alternatively, transformed in a Trade Agreements Act designated countries (<http://gsa.federalschedules.com/resources/taa-designated-countries/>). Supplier hereby agrees to provide only products compliant with this obligation (See FAR 52.225-5). Supplier agrees to notify Snap-on of any change in country of origin status.

d) In the event that any Products are purchased by Snap-on, or by Snap-on on behalf of or for resale to a division, subsidiary or affiliate, to fulfill a government contract or contracts, Supplier will comply with all provisions, agreements and clauses of the applicable government contract required to be flowed down to Sub-Suppliers or suppliers, as well as, applicable State and Federal Acquisition Regulations, Presidential Directives and Executive Orders. The pertinent provisions, agreements and clauses contained in any applicable contract between Snap-on, or its parent company Snap-on Incorporated, divisions, subsidiaries or affiliates and the Government entity are hereby incorporated by reference. The Supplier will comply with the following provisions of the Code of Federal Regulations:

**Supplier and Supplier’s subcontractor will abide by the requirements of 41 CFR SS 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.**

Supplier will also comply with the following additional provisions of the Code of Federal Regulations:  48 C.F.R. 52.219-8, Utilization of Small Business Concerns; 48 C.F.R. 52.219-9, Small Business Subcontracting Plan; 48 C.F.R. 52.222-26 Equal Opportunity Under Executive Order 11246; 48 C.F.R. 52.222-35, 41 C.F.R. 60-250.5(a), Equal Opportunity and Affirmative Action for Covered Veterans; 48 C.F.R. 52.222-36, Affirmative Action for  Persons with Disabilities; and 29 C.F.R. Part 471, Appendix A to Subpart A, Notification of NLRA Rights.

1. ANTI-HUMAN TRAFFICKING AND SLAVERY – Supplier and its subcontractors or Sub-suppliers will comply with FAR 52.222-50 and 52.222-56, the “Anti-Human Trafficking and Slavery”.
2. **SMALL BUSINESS UTILIZATION REQUIREMENTS**

(Applicable only when total sales exceed $650,000 in a year)

Compliance with applicable Federal requirements mandates that Federal Acquisition Regulation (FAR) clause 52.219-8, Utilization of Small Business Concerns, applies to any supplier agreement where a non-small business supplier provides more than $650,000 in products or services. This requirement will not apply to all suppliers. When applicable, Snap-on will contact Supplier and Supplier agrees to provide an annual Small Business Subcontracting Plan as required by FAR 52.219-9.

1. **COUNTERFEIT GOODS**

Supplier will not furnish Counterfeit Goods to Snap-on. “Counterfeit Goods” are defined as goods or separately-identifiable items or components of goods that: (i) are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, “OEM”) item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re- worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes. Notwithstanding the foregoing, goods or items that contain modifications, repairs, re-work, or re-marking as a result of Supplier’s or its subcontractor’s design authority, material review procedures, quality control processes or parts management plans, and that have not been misrepresented or mismarked without legal right to do so, will not be deemed Counterfeit Goods. Counterfeit Goods will be deemed nonconforming to this Agreement.

Supplier will implement an appropriate strategy to ensure that goods furnished to Snap-on under this Agreement are not Counterfeit Goods. Supplier’s strategy will include, but is not limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM’s original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item’s authenticity.

If Supplier becomes aware or suspects that it has furnished Counterfeit Goods to Snap-on under this Agreement, Supplier promptly, but in no case later than thirty (30) days from discovery, will notify Snap-on and replace, at Supplier’s expense, such Counterfeit Goods with OEM or Snap-on-approved goods that conform to the requirements of this Agreement. For confirmed Counterfeit Goods, Government-Industry Data Exchange Program notification will also be made no later than sixty (60) days after discovery. Supplier will be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic goods after Counterfeit Goods have been replaced.

Supplier bears responsibility for procuring authentic goods or items from its subcontractors and will ensure that all such subcontractors comply with the requirements of this Section.

1. **SUPPLIER AUDIT AND FACILITY ACCESS**

Supplier will allow Snap-on access to Supplier’s facilities upon reasonable notice and will require any Sub-Suppliers to allow Snap-on access to the Sub-Supplier’s facilities upon reasonable notice. Upon Snap-on’s reasonable request, Supplier will provide Snap-on with certain financial statements and documentation.

1. **PRODUCT INFORMATION**

Supplier will provide to Snap-on complete and accurate information and data for the Products (“Product Information”). Product Information will include, but not be limited to, Product information, competitor cross-reference data, Product information updates, maintenance and certification requirements, manuals, applications and safety information. If requested, Supplier will annually review and certify the accuracy of all Product Information and data provided to Snap-on.

1. **PRODUCT INFORMATION, DATA RIGHTS AND SUPPLIER MARKS**

Supplier and its Sub-suppliers grant to Snap-on a non-exclusive, perpetual, irrevocable, worldwide, royalty-free right to use the Product Information, if any, provided by Supplier in connection with Snap-on’s business. This right includes, but is not limited to, the right to copy, publish, sell, transfer, distribute, sublicense, and prepare derivative works (including translations) of such Product Information by any method, form, or media now or hereafter known. Such rights may be exercised by Snap-on, its business units, subsidiaries and affiliates, and commences on the effective date of the Agreement.

Snap-on has a non-exclusive, perpetual, irrevocable, worldwide, royalty-free right to use Supplier trademarks, logos, service marks, trade names, copyrighted material, and domain names ("Supplier Marks") in connection with Snap-on promotional, sales or marketing materials, documentation or information, including but not limited to Snap-on catalogs and Snap-on web sites and other electronic and paper media. This right includes, but is not limited to, the right to use, copy, publish, transfer, distribute, and prepare derivative works or translations containing Supplier Marks in any form and media now or hereafter known; and to use Supplier Marks with any promotional, sales or marketing materials, documentation or information. Effective with the date of this Agreement such rights may be exercised by Snap-on, its business units, subsidiaries and affiliates.

# WORLDWIDE EXPORT RIGHTS

Supplier grants Snap-on non-exclusive worldwide right to advertise, sell, and export of all of Products and will ensure Sub-suppliers provide Supplier a right to grant such right to Snap-on in relation to each Sub-suppliers’ Products.

# HAZARDOUS PRODUCT LABELING

Supplier will ensure that all Sub-suppliers label all hazardous materials as defined by applicable United States federal, state and local statutes, laws, propositions, and regulations (“Laws”), as required by such laws. Supplier agrees to comply with all Laws relating to the environment including those relating to the packaging, labeling, and distribution of Products that contain hazardous materials, including but not limited to California Proposition 65 and the Hazardous Communication Standards promulgated by the United States Occupational Safety and Health Administration. Supplier agrees to provide timely, complete, accurate and up-to-date information as required by applicable Laws.

# PRIVATE LABEL BRANDING REQUIREMENTS

# Supplier will not use any trademarks, logos, service marks, trade names, copyrighted material, and domain names owned by Snap-on, its parent company or its affiliates (collectively, “Snap-on Marks”) without Snap-on’s prior written approval or direction, which may be withheld or withdrawn in the sole discretion of Snap-on. If use of the Snap-on Mark is approved or directed, Supplier will comply with the directions given by Snap-on, including, without limitation, the Snap-on’s brandmark guidelines, as it is amended by Snap-on from time to time. The most current brandmark guidelines will be provided to Supplier upon written request and Supplier will make written request before using any Snap-on Marks. Supplier shall obtain Snap-on’s written approval before changing the design, materials or specifications of the Products branded with Snap-on Marks. Supplier will not sell, distribute or transfer Products with Snap-on Marks to any other person or entity other than Snap-on. Snap-on reserves all rights and ownership in and to the Snap-on Marks. Supplier shall not authorize the use of the Snap-on Marks by any third-parties. Supplier shall not use Sub-Suppliers to make parts with Snap-on Marks or Products or components of Products that are privately labeled or otherwise exclusively provided to Snap-on without first obtaining Snap-on’s written approval. Supplier shall ensure that any approved Sub-Suppliers comply with this section and the Supplier’s subcontract shall, at a minimum, restrict Sub-Supplier from: (1) selling, distributing or transferring such Products or Product components (or substantially similar Products and Product components) to persons or entities other than Supplier or Snap-on and (2) using any packaging and labeling, Product design or similar designs, or business methods, technical data and other information and materials related to such Products or Product components for any purpose other than the supply of Product to Snap-on.

1. **SNAP-ON FACILITIES**

Supplier may visit a Snap-on facility in the course of meeting its obligations under this Agreement. Supplier assumes responsibility and liability for its Sub-suppliers, agent’s, representative’s and employee’s actions while at Snap-on facilities. Supplier’s Sub-suppliers, agents, representatives and employees will follow all Snap-on safety instructions and use reasonable care while at a Snap-on facility. Supplier releases Snap-on from any liability and waives all claims against Snap-on, whether for property damage, personal injury or death, arising out of any visit to a Snap-on facility except to the extent caused by Snap-on’s gross negligence or willful misconduct.

1. **DISPUTE RESOLUTION**

In the event of a dispute in the interpretation, construction or performance of this Agreement or any breach thereof, the parties agree to mediate the dispute before filling a lawsuit, or a demand for arbitration, if applicable. The mediation will be held in Milwaukee, Wisconsin and conducted by one mediator. Each party will bear all of its own costs of mediation except that the fees of the mediator will be divided equally between parties. Each party has the right without waiting for mediation, to seek from an appropriate court provisional remedies including, but not limited to, temporary restraining orders or preliminary injunctions before, during or after mediation.

1. **ARBITRATION FOR NON-USA COMPANIES**

If Supplier is a permanent resident of a country other than the U.S.A. (or one of its territories), or is a corporation, partnership or entity existing under the laws of any country other than the U.S.A. (or one of its territories), the parties will attempt to amicably resolve any controversy, dispute or difference arising out of any dealings under this Agreement. If those efforts are unsuccessful, then the parties agree any controversy, dispute or difference will be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the “ICC Rules”) by one or more arbitrators appointed in accordance with such ICC Rules. The place for arbitration will be Milwaukee, Wisconsin, U.S.A. and proceedings will be conducted in the English language. The award will be final and binding on both Snap-on and Company, and the parties hereby waive the right of appeal to any court for amendment or modification of the arbitrator’s award. Any claim will be made by filing a demand for arbitration within two (2) years following the aggrieved party’s first knowledge of the occurrence first giving rise to the claim. Each party will bear all of its own costs of arbitration, except that the fees of the arbitrator will be divided equally between the parties. The arbitrator has no authority to amend or modify the terms of this Agreement or to award punitive or exemplary damages, and the award may be enforced by judgment.

1. **LIMITATION OF LIABILITY**

Snap-on WILL not be liable for any direct, indirect, consequential, exemplary, or punitive damages, including lost profits, arising out of this Agreement, whether in tort, contract, strict liability, or under any other legal theory at law or in equity.

1. **WAIVER OF JURY**

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

1. **GOVERNING LAW**

This Agreement is to be construed and interpreted in accordance with, and the rights and obligations of the parties hereto are governed by the provisions of the Uniform Commercial Code and the laws of the State of Wisconsin, U.S.A. and not the United Nations Convention on Contracts for the International Sale of Goods. This Agreement is to be executed in the English language, which is the original and controls in the event of any difference between the English text of this Agreement and any translation hereof. In the event arbitration is not applicable or found by an arbitrator to be unenforceable, the parties submit to the exclusive jurisdiction of the state and federal district courts of Wisconsin, Eastern District, venued in Milwaukee County, Wisconsin, or the Circuit court of Milwaukee County, if there is no federal jurisdiction. The parties expressly consent to the jurisdiction and the venue of such courts. The parties waive their right to any claim of inconvenient forum.

1. **ASSIGNMENT**

No party will assign, subcontract or delegate any rights or obligations contained in this Agreement without the other party's prior written consent, which consent will not be unreasonably withheld. In the event of Supplier’s change of name, ownership or management, or sale, merger or acquisition or other disposition in whole or in part, including the sale of stock or substantially all of its assets or filing by, or against, Supplier of any bankruptcy proceeding, Supplier will promptly notify Snap-on in writing of such changes, actions and proceedings.

1. **NOTICES**

Notices will be personally delivered or sent via certified mail, to the attention of the Supplier or Snap-on representative executing this Agreement at the addresses provided herein. Notice(s) sent via certified mail will be effective three (3) business days after confirmed receipt of the notice. Notices that are solely of a business nature (not of a legal nature) may also be sent via e-mail with a confirmation of receipt from the recipient. Either party may change its address or representative by giving written notice to the other party.

# MODIFICATION

No modification of this Agreement is binding upon either party unless it is in writing, and is signed by an authorized representative of each party.

1. **RELATIONSHIP OF PARTIES**

The Supplier and Snap-on are independent contractors, and are not partners, joint ventures, employees or agents. Neither party has the authority to act, make representations, or make commitments on behalf of the other party.

1. **FORCE MAJEURE**

Neither Snap-on nor Supplier will be liable for any delay in or impairment of performance resulting in whole or in part from acts of God, acts of war, acts of terrorism (whether actual or threatened), governmental decrees or controls, insurrections, epidemics, quarantines, shortages, communication or power failures, fire, accident, explosion, severe weather conditions, catastrophic events or any other similar circumstances or cause beyond the control of such party (or those third parties under such party’s control) in the conduct of its business. After written notice to Snap-on, Supplier will also be excused from performance of its obligations hereunder (except for its payment obligations) if Supplier is unable to procure Product or obtain permits and licenses, supplies or raw materials.

# ENTIRE AGREEMENT

This Agreement, together with the required signed documents and the reference documents listed below, which are incorporated herein by reference, contains the entire understanding between Snap-on and the Supplier, and supersede and terminate all previous agreements and understandings, verbal or otherwise, at any time existing between Snap-on, any of its subsidiaries, divisions or affiliates, and the Supplier. All other terms and conditions, supplemental terms or conflicting terms, whether contained on Supplier’s quote, purchase order or elsewhere, will have no effect whatsoever and only these terms and conditions will apply. Supplier may provide Snap-on with a written request for copies of the current version of the reference documents at any time.

# SEVERABILITY

# If any provision of this Agreement is be determined to be illegal and unenforceable by any court of law or any competent governmental or other authority, the remaining provisions will be severable and enforceable in accordance with their terms so long as this Agreement without such terms or provisions does not fail of its essential purpose or purposes. The parties will negotiate in good faith to replace any such illegal or unenforceable provision or provisions with suitable substitute provisions which will maintain the economic purposes and intentions of this Agreement.

# SIGNATURES AND COUNTERPARTS

# This Agreement may be executed by facsimile or email.

# COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which are deemed an original and all of which together are considered one and the same Agreement.

1. **HEADINGS**

The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.

1. **SURVIVAL**

The warranties, guarantees, indemnities, confidentiality obligations and representations contained in this Agreement and other terms and conditions of this Agreement intending to survive will survive the cancellation, expiration, or termination of this Agreement.

1. **WAIVER**

Snap-on’s failure to enforce any term of this Agreement will not be interpreted to mean that Snap-on waived its right to enforce any term of this Agreement in the future and also will not be interpreted to be a waiver of the provision itself.

1. **PUBLICITY/PRESS RELEASES**

Neither party, or any Sub-supplier, will make a statement to the public that names or is about the other party without the express written consent and approval of such statement by the other party.

1. **PRECEDENCE**

Unless otherwise stated, this Agreement will control over any conflicting term in any other document incorporated herein, including without limitation, the required signed documents and the reference documents listed below.

1. **PRIVACY NOTICE AND CONSENT**

Snap-on may collect and process certain personally identifiable information belong to Supplier, Sub-supplier,and their employees, including without limitation, tax identification number, date of birth, individual name and contact information (“Personal Data”), if such Personal Data is needed for the purposes stated below. The Personal Data may be stored on servers located in the United States. Supplier agrees to only provide Personal Data for which it has the right to provide to Snap-on and, if required by law, has the necessary consent to provide such Personal Data to Snap-on. Snap-on will only collect and use such Personal Data for the following purposes: (a) to preform and transact business under this Agreement; and (b) manage compliance programs in accordance with applicable laws, including without limitation compliance with Anti-Corruption Laws and product regulatory compliance laws, rules, orders and regulations.

The undersigned representative of each party is duly authorized to enter into this Agreement on behalf of the party.

Supplier: ***[sourcing service provider’s name]* Snap-on Logistics Company**

Subsidiary of Snap-on Incorporated

By: By:

Title: Title:

Date: Date:

**Required signed documents:**

-Mutual Confidentiality Agreement

-Above, SA

-Bailment agreement – if Snap-on invests in tooling

**Reference documents**

-Supplier Code of Business Conduct

-Supplier Guidelines

-Product Safety Guidelines

-Snap-on Freight Policy

-Snap-on Packaging Specifications

-Snap-on Brand mark Guidelines

- Snap-on Supplier Quality Manual

**Exhibits**

Exhibit A- Form Mutual Confidentiality Agreement

Exhibit B – SLA

**EXHIBIT A**

**MUTUAL CONFIDENTIALITY AGREEMENT**

**AGREEMENT between:**

**Snap-on Company: Company:**

|  |  |  |
| --- | --- | --- |
|  **[insert legal entity name and address]** | and  | **[insert legal entity name and address]** |
| Snap-on Logistics Company |  |  |
| 2801 80th Street  |  |  |
| Kenosha, Wisconsin 53143 |  |  |
| (hereinafter referred to as “Snap-on”) |  | (hereinafter referred to as “Company”) |

 **WHEREAS**, Company desires to provide services or products to Snap-on;

 **WHEREAS**, Company desires to receive a disclosure of information from Snap-on, including without limitation proprietary information, in regards to an existing or possible business arrangement, including without limitation, providing services or products or putting together a quotation (“Purpose”); and

 **WHEREAS**, such Confidential Information is of great value; however, Snap-on is willing to disclose such Confidential Information to Company for the Company to provide services or products or a quotation, but only if Company does not disclose the Confidential Information to others or use it for the benefit of Company or others.

 **IN** **CONSIDERATION** of the above premises, the covenants and obligations herein contained and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. COMPANY MAY ONLY DISCLOSE CONFIDENTIAL INFORMATION TO EMPLOYEES, AGENTS AND ADVISORS WITH A NEED TO KNOW SUCH INFORMATION TO ACCOMPLISH THE PURPOSE AND WILL NOT DISCLOSE SNAP-ON CONFIDENTIAL INFORMATION TO ANY OTHER PERSON OR ENTITY. COMPANY WILL TAKE ALL REASONABLE PRECAUTIONS TO MAINTAIN THE SECRECY AND CONFIDENTIALITY OF SNAP-ON CONFIDENTIAL INFORMATION. COMPANY WILL NOT USE CONFIDENTIAL INFORMATION EXCEPT FOR THE BENEFIT OF SNAP-ON.
2. “Confidential Information” means all data, materials and information, in whatever form provided to Company by Snap-on.
3. Snap-on may disclose Confidential Information, in its discretion, to Company upon the following conditions, which are accepted by Company:

	1. The Confidential Information to be disclosed will be selected and determined solely by Snap-on;
	2. The Confidential Information disclosed will be received and held in confidence by Company and any employee, agent or advisor of Company that receives Confidential Information will be made aware of the obligations herein and who have legally enforceable nondisclosure obligations at least as restrictive as those stated herein;
	3. Company will take all steps as may be prudent to prevent the disclosure of Confidential Information to others, but in no event will such steps be less than the most stringent steps used by the Company in protecting proprietary information of the Company;
	4. Company will not use the Confidential Information in any respect other than for the Purpose and Confidential Information will not be reproduced in any form except as required to accomplish the Purpose; and
	5. Company will maintain in confidence the fact that Company has a relationship with Snap-on, is working with Snap-on, is assisting Snap‑on, and has received Confidential Information from Snap-on.
4. The commitments set forth in a, b, c, d and e above will not extend to any portion of said Confidential Information which, as a whole,

	1. Is approved for release by written authorization of Snap-on; or
	2. Is or becomes public knowledge through no wrongful act of Company; or
	3. Is already known by Company, as documented by Company’s records; or
	4. Is lawfully obtained by Company from third parties not under a confidentiality obligation; or
	5. Is developed by Company independently of the Confidential Information as shown by Company’s records; or
	6. Is disclosed to others by Snap-on without a confidentiality restriction; or
	7. Is disclosed pursuant to law, regulation or lawful order or process, provided Company promptly notifies Snap-on of the disclosure requirement where not legally prohibited, to permit Snap-on to oppose or limit such disclosure, and Company only furnishes such information as is necessary to comply with the legal requirement and makes reasonable efforts to obtain an order or other assurance that the Confidential Information will receive confidential treatment.
5. All Confidential Information is provided “AS IS,” without warranty or guarantee of any kind as to its accuracy, completeness, operability, fitness for particular purpose, or any other warranty, express or implied. Snap-on will not be liable to Company for any damages, loss, expense or claim of loss arising from use of or reliance on the Confidential Information.
6. Upon the request of Snap-on, Company will promptly return or destroy the Confidential Information, in whatever form, without retaining any copies or excerpts thereof. Company will certify compliance with this provision upon the request of Snap-on.
7. If Company is a permanent resident of the U.S., or a corporation, partnership or entity existing under the laws of the U.S., Snap-on and Company will attempt amicably to resolve any controversy, dispute or difference arising out of any dealings under this Agreement, failing which either party may initiate litigation. Litigation may be brought only in the U.S. District Court for the Eastern District of Wisconsin, Milwaukee Division or, if such court lacks subject matter jurisdiction, in a Wisconsin state court in Kenosha County. The parties submit to the jurisdiction of said courts and waive any defense *of forum non conveniens*. The parties waive all rights to jury trials.
8. If Company is a permanent resident of a country other than the U.S., or is a corporation, partnership or entity existing under the laws of any country other than the U.S., the parties will attempt to amicably resolve any controversy, dispute or difference arising out of any dealings under this Agreement. If those efforts are unsuccessful, then the parties agree any controversy, dispute or difference will be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the “ICC Rules”) by one or more arbitrators appointed in accordance with such ICC Rules. The place for arbitration will be Milwaukee, Wisconsin, U.S. and proceedings will be conducted in the English language. The award will be final and binding on both Snap-on and Company, and the parties hereby waive the right of appeal to any court for amendment or modification of the arbitrator’s award. Any claim will be made by filing a demand for arbitration within two (2) years following the aggrieved party’s first knowledge of the occurrence first giving rise to the claim. Each party will bear all of its own costs of arbitration, except that the fees of the arbitrator will be divided equally between the parties. The arbitrator will have no authority to amend or modify the terms of this Agreement or to award punitive or exemplary damages, and the award may be enforced by judgment.
9. Snap-on retains ownership of all rights, including all intellectual property rights, in and to Confidential Information. Except as provided herein, no right, immunity or license to the Confidential Information, either expressed or implied, is granted by Snap-on to Company pursuant to this Agreement under any patent, patent application, copyright, trademark or other intellectual property right, now or hereafter owned or controlled by Snap-on.
10. Snap-on will own any drawings, prints, ideas, discoveries or inventions, which relate to Snap-on’s products or Confidential Information or any modification of Confidential Information, created by Company in furtherance of this Agreement, all of which will be deemed Confidential Information. Any rights under law or equity which Company may have therein are hereby assigned to Snap-on. Company will secure similar assignments for the benefit of Snap-on from any employee given access to the Confidential Information. Company will cooperate fully with Snap-on to protect and to perfect Snap-on’s legal rights in any jurisdiction.
11. Company hereby authorizes an immediate injunction and any other legal or equitable remedy to which Snap-on may be entitled in the event of a violation of this Agreement. This is in addition to the rights of Snap-on under paragraphs 7 and 8 above. Company acknowledges that a violation of this Agreement by Company will cause immediate and irreparable harm and injury to Snap-on.
12. Company’s obligation hereunder to maintain in confidence any specific item of Confidential Information received from Snap-on terminates five (5) years after disclosure of the specific item of Confidential Information, except for trade secret information, which is subject to the terms of this Agreement for so long as Snap-on maintains it as a trade secret.
13. Any notice provided in connection with this Agreement will be or given in writing by personally delivery or by certified mail, prepaid, return receipt requested, directed to the parties at the addresses on the first page of this Agreement.
14. This Agreement is personal to the parties hereto and neither party may assign or transfer its rights, interests or obligations hereunder without the prior written consent of the other.
15. This Agreement will be incorporated in and become a part of all written contracts, quotations, proposals, purchase orders and correspondence between the parties, and this Agreement will constitute notice of objection to, and control and supersede, any terms which would in any way conflict with the terms of this Agreement or limit the obligations of Company hereunder. With regard to the subject matter of this Agreement, there are no understandings or agreements, expressed or implied, not specified herein.
16. This Agreement may not be amended except in writing signed by the parties.
17. This Agreement will be governed by the laws of the State of Wisconsin without giving effect to conflict of laws provisions.
18. “Snap-on Company” means any member of the group consisting of Snap-on Incorporated and all of its direct and indirect subsidiaries and affiliated companies. The Snap-on Company party to this Agreement is entering this Agreement on behalf of itself, and to the extent applicable and appropriate, any other Snap-on Company which delivers Confidential Information.

**IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.**

|  |  |  |
| --- | --- | --- |
| **SNAP-ON:** |  | **COMPANY:** |
|  |  |  |
| **By:**  |  |  | **By:** |  |
| **Printed Name:** |  |  | **Printed Name:** |  |
| **Title:**  |  |  | **Title:**  |  |
| **Snap-on Company:** |  |  |  |  |
| **Date:**  |  |  | **Date:**  |  |

**EXHIBIT B**

**SERVICE LEVEL AGREEMENT**