

MASTER TERMS AGREEMENT
BETWEEN
UTC FIRE & SECURITY CORPORATION
AND
_____ **[INSERT NAME]**

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Attachment A: Initial Statement of Work describing UTCFS Participating Sites, Deliverables, Prices, Other

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MASTER TERMS AGREEMENT

This Master Terms Agreement (“MTA” or “Agreement”) for **[insert name of program]** or **commodity type]** is made as of _____ (the “Effective Date”) by and between, UTC Fire & Security Corporation, a corporation organized and existing under the laws of the state of Delaware, with an office and place of business at 9 Farm Springs Road, Farmington Connecticut (hereinafter referred to as “UTCFS”) on behalf of itself and for the benefit of all its subsidiaries and affiliates (as further defined herein, “UTCFS Participating Sites”), and _____ **[Comment: Insert Supplier’s correct corporate name]**, a corporation organized and existing under the laws of the State of _____ with an office and place of business at _____ (hereinafter referred to as “Supplier”).

WHEREAS UTCFS has solicited proposals for the supply of Deliverables (as hereinafter defined) to UTCFS and UTCFS Participating Sites; and

WHEREAS the Supplier desires to provide such Deliverables pursuant to a statement(s) of work (“SOW”) that may be entered into between the Parties from time to time and in accordance with the provisions hereof;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the Parties agree as follows:

NOW THEREFORE

In consideration of the premises and of the mutual promises of each party to the other herein contained, it is hereby mutually agreed as follows:

SECTION I - DEFINITIONS

For purposes of this MTA the following terms shall have these meanings:

- (a) “MTA”, “UTCFS”, “Supplier” and “Effective Date” are defined in the first paragraph.
- (b) “UTCFS Participating Sites” shall mean those facilities or sites of UTCFS and/or UTCFS’ subsidiaries or affiliates specified on a SOW attached to, or referencing, this MTA. UTCFS may from time-to-time modify the UTCFS Participating Sites by giving Supplier written notice of such modifications.
- (c) “Deliverables” shall mean those Goods and Services specified in a SOW attached to, or referencing, this MTA.

(d) “Goods” shall mean goods, supplies, software, drawings, data, reports, manuals, and any items that are required to be delivered pursuant to or in connection with a Release.

(e) “Services” shall mean any effort performed by Supplier pursuant to the SOW, including design, engineering, manufacture, assembly, installation, repair and maintenance, and any effort required by a Release.

(f) “Loss” shall mean any liability, loss, settlement payment, interest, award, judgment, damages (including punitive damages), diminution in value, liens, fines, fees, penalties, and litigation expense, including court costs, attorney’s fees, and other costs incurred in connection with investigating and defending an indemnified claim.

(g) “Releases” shall mean orders for Deliverables issued by the UTCFS Participating Sites to Supplier pursuant to this MTA. A Release will be in the form, electronic or hard copy, of a purchase order or other document ordering Deliverables that incorporates this MTA in its terms. The phrase “in connection with a Release” includes performance of a Release, performance in anticipation of a Release, and performance in preparation of a bid for a Release.

(h) “Prices” shall mean the unit prices of the Deliverables to be provided hereunder by the Supplier and shall include any discounts, rebates, or sharing of cost savings associated with the Deliverables as specified in a SOW attached to, or referencing, this MTA.

(i) “Preferred Supplier” shall mean that Supplier shall be a UTCFS recommended source for the supply of Deliverables to the UTCFS Participating Sites, conditional upon satisfactory performance under the terms of this MTA and Releases.

SECTION II – SCOPE OF AGREEMENT

(a) This MTA identifies Supplier as a Preferred Supplier of the Deliverables and contains descriptions of the Deliverables, prices of Deliverables and general terms and conditions to facilitate the issuance of Releases by the UTCFS Participating Sites to Supplier for the supply of the Deliverables to the UTCFS Participating Sites.

(b) This MTA does not obligate any UTCFS Participating Site to issue Releases to Supplier nor does it establish a “requirements contract” obligation on the UTCFS Participating Sites. No purchase commitment will be made with respect to the Deliverables until a UTCFS Participating Site has issued a Release to Supplier incorporating this MTA in its terms.

1) Process for Implementing Preferred Supplier Terms. UTCFS' obligations for implementing the Preferred Supplier terms in Section II.a shall be as described in this Subsection (1). UTCFS will use reasonable efforts to inform the UTCFS Sites in each of its business units that Supplier is a UTCFS recommended source to provide the Deliverables during the term of this MTA. Should Supplier come to believe that a particular UTCFS Site has not been adequately informed of UTCFS' selection of Supplier as a UTCFS recommended source, Supplier will so advise UTCFS' contract coordinator for this MTA. UTCFS will promptly advise the applicable representatives of such UTCFS Site that Supplier is a UTCFS recommended source to provide the Deliverables during the term of this MTA, which notification shall cure any failure or inadequacy of compliance with Section II.a. Supplier shall not have the right to recover lost revenue or lost profit with respect to purchases of Deliverables made by UTCFS Participating Sites (or by any UTCFS subsidiary or affiliate) from suppliers other than Supplier.

(c) Specific terms and separate documents:

1) SPECIFIC TERMS. SOME SPECIFIC TERMS TO THIS MTA ARE INCLUDED IN A SOW ATTACHED TO, OR REFERENCING, THIS AGREEMENT AND FORM A PART HEREOF. THE SOW MAY MODIFY OR CLARIFY SECTION IV-PRICES AND PAYMENTS, SECTION V – ORDERING, SECTION VI- DELIVERY, SECTION VII- QUALITY, SECTION- VIII WARRANTIES, OR ANY OTHER SECTION SPECIFIED IN THE SOW. THE INITIAL SOW IS ATTACHED AS ATTACHMENT A.

2) SEPARATE DOCUMENTS: THE DOCUMENTS LISTED BY REFERENCE ON ATTACHMENT B WERE PROVIDED BY UTCFS TO SUPPLIER PRIOR TO THE EXECUTION OF THIS MTA AND ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART HEREOF. THE TERMS AND CONDITIONS STATED ON THE UTCFS RELEASE OR INCORPORATED THEREIN WILL APPLY TO ALL PURCHASES.

SECTION III – TERM OF AGREEMENT

(a) Unless sooner terminated as provided in the terms of this MTA, this MTA shall remain in full force and effect commencing as of the Effective Date and expiring as of _____ [Insert expiration date]. A Release shall be considered validly made under this MTA if it is issued before the MTA expiration date even if Release performance continues after the expiration date.

[Comment: Consider whether to add an option to extend the term. If so, it will be necessary to specify what prices will apply during the option periods. The time period and method for exercising the option will also need to be stated.]

(b) The prices for the Deliverables shall become effective on the Effective Date and, unless otherwise mutually agreed between Supplier and any UTCFS Participating Site, such prices shall supersede any prices for the Deliverables under outstanding active Releases issued by a UTCFS Participating Site. [Comment: If we want the prices to be retroactive and become effective prior to the Effective Date, we will need to modify this subsection.]

SECTION IV – PRICES AND PAYMENT

(a) The prices for Deliverables in U.S. dollars or other currency if specified are set forth in the SOW. Unless otherwise expressly set forth in the SOW or in a Release, such prices will remain unchanged during the first year of the term of the MTA, regardless of the quantity ordered and shall be automatically reduced by at least **five percent (5%)** annually. Supplier shall provide written confirmation at least six (6) months prior to the price change on each anniversary of the date hereof. Failure to provide such notice shall not absolve Supplier from its obligation to provide the reduction in price. Except as expressly provided in the SOW, the prices of the Deliverables include all duties and taxes and other costs. Any other applicable costs or charges that are the responsibility of the UTCFS Participating Site are set forth in the SOW. In addition to the annual price reductions set forth above, Supplier will use its best efforts to pursue productivity improvement projects to reduce Supplier's manufacturing costs. Absent UTCFS' prior agreement to the contrary, any and all savings realized from UTCFS-initiated or UTCFS-led projects will be passed directly to UTCFS, and Supplier will use its commercially reasonable efforts to participate in all such projects. [Comment: Because of the multitude of pricing arrangements and terms, this form establishes Attachment A as the place for the pricing terms. Attachment A needs to spell out any specific price adjustment terms. If there are any non-recurring costs, these need to be noted in this Subsection and also set forth in detail in Attachment A. If there are any rebates, these should be noted in this Subsection and spelled out in Attachment A. The Attachment should give an example of any rebates.]

(b) Payment terms will be Net 90 Days following (i) receipt of conforming Deliverables delivered pursuant to a UTCFS Participating Site's delivery requirements, and (ii) satisfaction of the payment request requirements (electronic or otherwise) set forth in this MTA. Notwithstanding the foregoing, in the event payment is made within 18 days of receipt of the events in (i) and (ii) of this paragraph occurring, then such invoice shall be subject to an additional 2.75% discount.

(c) Except as otherwise agreed by Supplier and a UTCFS Participating Site, each Supplier invoice shall be submitted to the UTCFS Participating Sites' accounts payable department or accounts payable service provider as identified by the particular UTCFS Participating Site. Each invoice will reference the UTCFS Participating Site's Release number and date, and will contain a description of the Deliverables, the delivery dates, the delivery location, a packing slip number or other delivery document identifiers, the unit prices, any additional charges (separately identified), the total price payable under

the invoice, any applicable discounts, the date payment is due and the Supplier representative to contact to resolve any questions on the invoice.

(d) If any UTCFS Participating Site elects to make payment electronically, Supplier shall submit electronic payment requests and the UTCFS Participating Site shall make payments by electronic wire transfer, in accordance with such UTCFS Participating Site's procedures. Supplier shall advise in writing the bank and account information to which the UTCFS Participating Site is to make electronic payments.

(e) Payment of invoice shall not constitute acceptance of Deliverables ordered and shall be subject to appropriate adjustment for failure of Supplier to meet the requirements of a Release. A UTCFS Participating Site may set off any amount owed by Supplier or any of its affiliated companies to any UTCFS Participating Site or any of its affiliated companies against any amount owed by the UTCFS Participating Site under the Release

(f) The payment discount period, if any, shall be computed as commencing with receipt by UTCFS Participating Site of invoice or of merchandise, whichever is later.

SECTION V – ORDERING

(a) UTCFS Participating Sites may issue Releases to Supplier, which shall constitute the UTCFS Participating Sites' ordering Deliverables from Supplier under this MTA. Such Releases shall reference this MTA and will thereby incorporate the terms of this MTA by reference into the Release terms. Except as set forth in the Order of Precedence below, each Release shall be governed by the terms contained in this MTA. Any Release terms that are additional to or different from the terms of this MTA shall be subject to Supplier's acceptance. If any UTCFS Participating Site issues a Release electronically, Supplier shall comply with such Site's electronic data interchange requirements and procedures for ordering, delivery and contract administration.

(b) Changes. UTCFS Participating Site (through its authorized purchasing personnel only) shall have the right at any time prior to the delivery date of the Deliverables to make changes (i) in drawings, designs, specifications if the Deliverables are manufactured to UTCFS Participating Site's drawings, designs and/or specifications; or (ii) in packaging, time or place of delivery, and method of transportation. If any such changes cause an increase or decrease in cost, an equitable adjustment shall be made and the Release shall be modified in writing accordingly; provided, no equitable adjustment in price will be applicable to changes in delivery schedule where deliveries continue to be scheduled in either the same calendar year or, if not in the same calendar year, within four (4) months of the existing delivery schedule. Supplier's claims for an equitable adjustment under this Article shall be deemed waived unless asserted in writing (including the amount of the claim) and delivered to UTCFS Participating Site within thirty (30) days, or other period agreed in writing by UTCFS Participating Site, from the date Supplier receives the change. Supplier shall provide

supporting documentation justifying its claims, and if requested, shall promptly provide additional clarification or support for such claims as reasonably requested by UTCFS Participating Site.

(c) At UTCFS' request, during a two (2) year period after the discontinuation of production of Deliverables, Supplier will provide and sell to UTCFS sufficient units of Deliverables mechanically and functionally equivalent to original Deliverables to fulfill UTCFS' orders.

SECTION VI – DELIVERY

(a) Except as otherwise agreed between Supplier and a UTCFS Participating Site, Supplier shall deliver Deliverables in accordance with the delivery schedules contained in the Releases.

[Comment: If lead times are specified for the Deliverables, the following provisions apply:]

(b) Supplier's lead times for delivery of the Deliverables are set forth in the SOW. Supplier agrees that it will deliver the Deliverables within the lead time period following receipt of a Release. In the event a delivery schedule requires delivery of Deliverables with less than lead time notice, Supplier will use commercially reasonable means to meet the specified delivery schedule.

(c) All domestic US goods are to be shipped Freight Collect, FOB Origin. Supplier must use an authorized UTCFS carrier unless otherwise stated in writing by UTCFS. Where UTCFS has so authorized in writing, goods may be shipped freight pre-paid, FOB destination. Supplier shall pre-pay the shipping charges and route the goods using the most cost effective common carrier unless a carrier is otherwise specified by UTCFS. Supplier shall list freight charges as a separate line item on the Supplier's invoice. Each invoice for shipping charges shall be accompanied by the original or a copy of the carrier's invoice and shall evidence that such invoice has been paid. No payment for shipping is due from UTCFS unless and until the carrier is paid, and then only to the extent of such payment. UTCFS reserves the right, in its sole discretion, to reject C.O.D. shipments. Supplier shall not insure the goods except upon UTCFS' written request or as set forth below. International goods are to be shipped FCA Port of Export, using UTCFS approved carriers and customs house brokers. Title and risk of loss shall transfer to UTCFS at the time of UTCFS' receipt of the goods at the final destination.

(d) Any of the following acts of Supplier shall constitute acceptance of UTCFS Participating Site's Release and all of its terms and conditions without modification: Supplier's delivery of any of the Deliverables; Supplier's commencement of performance under a Release; or Supplier's acknowledgement of UTCFS Participating Site's Release.

(e) Any terms different from or additional to the terms of UTCFS Participating Site's Release which may be contained in Supplier's acknowledgement or Supplier's other documents are expressly rejected by UTCFS Participating Site unless accepted in writing by an authorized representative of UTCFS Participating Site. UTCFS Participating Site's Release is expressly conditional upon acceptance of the terms of the Release unless an authorized representative of UTCFS Participating Site otherwise agrees in writing.

(f) Notice of Delay. Whenever an actual or potential reason for delay (including but not limited to labor disputes), delays or threatens to delay the timely performance of a Release, Supplier agrees to immediately notify UTCFS Participating Site in writing of all relevant information and, subject to the force majeure provision set forth herein, to make and pay for all necessary changes to fulfill its obligations under the Release and mitigate the potential impact of any such delay. UTCFS Participating Site has the right to cancel any Deliverables affected by the delay in performance.

(g) Insurance and Risk of Loss. Unless otherwise mutually agreed in writing, where Supplier is responsible for delivering Deliverables to a specific location, Supplier shall be responsible for any damage to or loss of Deliverables in transit to the location. Where Supplier agrees to deliver the Deliverables to a location at UTCFS Participating Site's risk and Supplier arranges the transport of the Deliverables, unless otherwise agreed in writing, Supplier shall insure the Deliverables for their full value while in transit.

(h) Packing. Supplier shall not charge separately for packaging, packing or boxing, unless UTCFS Participating Site has agreed to such charges in writing. Supplier shall not combine in the same container, material that is to be delivered to different receiving locations.

(i) Marking. Unless otherwise agreed in writing, exterior containers shall be marked with the following: (1) Address of UTCFS Participating Site and Supplier; (2) Release number; (3) Part number; (4) Special markings called for on the Release; (5) Quantity; and (6) (where applicable) Vendor Code or other vendor identification number.

(j) Bills of Lading. Bills of Lading shall reference Release number and UTCFS Participating Site's receiving address and purchase point of contact. When UTCFS Participating Site will be the importer of record, Supplier will follow the instructions of UTCFS Participating Site's import administrator regarding completion of documentation used in the importation process and proper declaration of value. The original copy of the bill of lading with the Supplier's invoice shall be mailed to the location specified by UTCFS Participating Site's procurement contact, or if no location is specified by UTCFS Participating Site, to UTCFS Participating Site's applicable Accounts Payable Department or Accounts Payable service provider.

(k) UTCFS Participating Site's Routing Instructions. On Releases where UTCFS Participating Site either pays for or reimburses Supplier directly for shipping costs,

Deliverables shall be shipped in accordance with routing instructions furnished by UTCFS Participating Site. Supplier shall request a copy of UTCFS Participating Site's standard routing instructions if Supplier does not have them.

(l) Packing Slip. Unless otherwise agreed between UTCFS Participating Site and Supplier, Supplier shall include an Itemized packing slip with all shipments which will adequately identify the Deliverables shipped, including part number and the applicable Release number.

(m) Test Reports. Any Supplier test reports or other test results related to the Deliverables shall be provided to UTCFS Participating Site as set forth in the terms of the Release, or if not specified in the Release terms, upon UTCFS Participating Site's request.

(n) Hazardous Materials. If the products or materials to be shipped under a Release have been classed as hazardous materials by the U.S. Government or any state or local government, Supplier warrants that the product shall be packaged, marked, labeled and transported in full compliance with all applicable laws. Supplier shall hold harmless and indemnify UTCFS Participating Site for Supplier's failure to comply with the requirements of this provision.

(o) Customs Clearance. In case of a non-US Supplier, the UTCFS Participating Site will determine the cost and responsibility for customs clearance (and duty if applicable) on shipments (sale, loaned or consigned material) into its resident country using Supplier furnished documentation, in accordance with International Chamber of Commerce Incoterms as amended.

(p) Inspection, Rejection. All Deliverables being manufactured to UTCFS Participating Site's specifications and/or drawings covered by a Release may be inspected and tested by UTCFS Participating Site or its designee, at all reasonable times and places, including during manufacture. Supplier shall provide, without additional charge, all reasonable facilities and assistance for such inspections and tests.

- 1) All inspection records relating to Deliverables covered by the Release and being manufactured to UTCFS Participating Site's specifications and/or drawings shall be available to UTCFS Participating Site during the performance of the Release and for such longer periods as specified by UTCFS Participating Site.
- 2) If any Deliverables covered by the Release are defective or otherwise not in conformity with the requirements of the Release, UTCFS Participating Site may, (i) rescind the Release as to such Deliverables, and rescind the entire agreement if such defect or non-conformity materially affects UTCFS Participating Site; (ii) accept such Deliverables at an equitable reduction in price; or (iii) reject such Deliverables and require the delivery of replacements. Deliveries of replacements shall be accompanied by a

written notice specifying that such Deliverables are replacements. If Supplier fails to deliver required replacements promptly, UTCFS Participating Site may (i) replace, obtain or correct such Deliverables and charge Supplier the cost occasioned UTCFS Participating Site thereby, or (ii) terminate the Release for cause.

- 3) Rejected Deliverables may be returned to Supplier at Supplier's cost.

SECTION VII – QUALITY

(a) All Deliverables shall conform to the descriptions and requirements set forth in the SOW.

(b) The Supplier acknowledges that it has been provided, read and understood the UTC Fire & Security Supplier Quality Requirements (SQR-01) which are available on the Suppliers Page found at: WWW.UTCFIREANDSECURITY.COM. Any other particular quality requirements or specifications that apply to the Deliverables, in addition to the requirements set forth in the SOW are identified in the SOW.

(c) UTCFS and/or a UTCFS Participating Site may, at reasonable times, perform quality audits of Supplier's quality systems that apply to the Deliverables. Such audits may include on-site reviews at Supplier's facilities. Supplier agrees to reasonably cooperate with such audits, to provide reasonable assistance to the quality auditors, to have knowledgeable people answer auditors' questions promptly and to provide corrective actions to address any quality deficiencies identified during the audit.

(d) Escapes Management Plan. Supplier agrees to coordinate with the UTCFS Participating Sites' quality representatives to develop an appropriate plan to address Escapes and control non-conformances; provided, however, that the UTCFS Participating Sites are not obligated to accept any non-conforming Deliverable. The term "Escape" means any non-conformance to specifications that has not been pre-approved by the UTCFS Participating Site.

e) UTCFS Scorecard and Supplier Gold Program. Supplier agrees to participate in the UTCFS Supplier Gold Program as set forth in <http://www.utc.com/About+UTC/Suppliers+%26+Partners/Supplier+Development/Supplier+Gold+Criteria> or found at the Suppliers Page found at WWW.UTCFIREANDSECURITY.COM. (Note: The parties recognize that the URL may change from time to time and agree that any such change will not affect the applicability of the material referenced. UTCFS agrees to provide the new URL upon Supplier's request in the event of a change.). Supplier further agrees to submit the required data into the UTCFS electronic scorecard system (the system used to capture and report progress against the Supplier Gold metrics) on a quarterly basis within 21 days after the close of the calendar quarter commencing with the first full calendar quarter following contract execution.

Supplier agrees to reach the “Performing level” as defined in the Supplier Gold criteria within 12 months of contract execution and make a good faith effort, including the completion of a lean self-assessment and an EH&S self-assessment on an annual basis, to achieve the gold level of the Supplier Gold program.

SECTION VIII – WARRANTIES

(a) Supplier warrants to UTCFS and the UTCFS Participating Sites that good title to Deliverables, free from any security interest or other lien or encumbrance, shall be conveyed to the UTCFS Participating, that the Deliverables and the use thereof (including in combination with other products for which a party can reasonably anticipate) will not infringe any intellectual property right of a third party; that the Deliverables will conform to the descriptions, specifications and other requirements contained in this MTA and in Releases; that the Deliverables will be free from defects in materials and workmanship; and, if the Deliverables are designed by Supplier, that the Deliverables will be free from defects in design. Supplier acknowledges that Supplier knows of UTCFS Participating Site’s intended use and expressly warrants that all goods covered by this MTA which have been selected, designed, manufactured, or assembled by Supplier based upon UTCFS Participating Site’s stated use, will be fit and sufficient for the particular purposes intended by Buyer. If U.S. government safety and/or other regulations are applicable to the Deliverables, Supplier warrants that the Deliverables conform to such governmental standards.

(b) Supplier warrants that all services performed under this MTA shall be performed in accordance with current, sound and generally accepted industry practices by appropriately licensed personnel who are experienced in the appropriate fields.

(c) Inspection, test, acceptance or use of the Deliverables shall not affect these warranties.

(d) Supplier agrees, in addition to rights and remedies provided by applicable law, to promptly repair or replace, without charge, any Deliverables that fail to conform to the warranties and should any of the services be defectively performed by Supplier, Supplier shall, at the option of UTCFS, (i) refund the purchase price of the applicable Deliverables, (ii) re-perform or correct such defective services at no additional charge, or (iii) replace or repair any nonconforming Deliverables.

(e) Supplier warrants that the Prices set forth or incorporated via reference in this MTA are not less favorable than those extended to any other customer for the same or similar Deliverables or class of Deliverables, in similar circumstances, during the term hereof. If during the term of this MTA, Supplier provides prices to any other customer for the same or similar or class of Deliverables described herein and such prices are more favorable than those set forth herein, Supplier will provide such prices to UTCFS and the UTCFS Participating Sites for Deliverables ordered within the term of this MTA.

(f) In the event that any Deliverables are determined by Supplier, UTCFS, or any governmental agency or court to contain a defect, quality or performance deficiency, or to not be in compliance with any standard or requirement so as to make it advisable, in UTCFS's sole discretion, that the Deliverables be reworked or recalled, the parties will promptly communicate all relevant facts and Supplier shall undertake all necessary corrective action at its expense. UTCFS shall cooperate with and use reasonable commercial efforts to assist Supplier in connection with any necessary filings and corrective action. Nothing contained in this MTA shall preclude UTCFS from taking such action as may be required of it under any law or regulation. Supplier will perform all necessary repairs or modifications to the affected Deliverables at its sole expense except to the extent that Supplier and UTCFS agree to the performance of such repairs or modifications by UTCFS upon mutually acceptable terms. The parties will consult prior to any party making statements to the public or a governmental agency pertaining to potential safety issues affecting Deliverables, except where such consultation would prevent timely notification required to be given.

(g) The above are the minimum warranty terms unless otherwise specified in an attachment hereto.

SECTION IX - SERVICE LEVELS AND MANAGEMENT REVIEWS

(a) Supplier shall comply with the service levels, if any, set forth in the Attachments to this MTA or in a Release. In the event that Supplier does not meet such service levels, UTCFS shall receive the financial credits set forth in the applicable Attachment or Release in the next billing period.

(b) Supplier agrees to meet with UTCFS management on a quarterly basis, or as otherwise mutually agreed. Such meetings will include discussions on Supplier's performance based on the Plan set forth in the SOW covering the following, without limitation: (i) review of delivery performance; (ii) review of quality issues; (iii) review of continuous improvement activities; and (iv) review of cost reduction strategies.

SECTION X - NOTICES

Notices relative to this MTA shall be given in writing and sent by certified mail, return receipt requested. Any such notice, if sent by UTCFS to the Supplier, shall be addressed as follows:

Attn:
[Title]

and if sent by the Supplier to UTCFS, shall be addressed as follows:

UTC Fire & Security Corporation
Supply Management Organization
Nine Farm Springs Road
Farmington, CT 06034
Attn:
[Title]

Notices and communications relative to Releases shall be address and sent as specified in the Releases.

SECTION XI – MINORITY-OWNED AND WOMEN-OWNED BUSINESS ENTERPRISES

To the extent Supplier operates in the United States, Supplier will make a good faith effort to utilize minority and women-owned businesses with the goal of increasing contributions from such enterprises to the successful performance of this MTA. With regard to minority and women business enterprises, to the extent Supplier operates in the United States, Supplier will increase its purchases from such business enterprises by ten percent (10%) each year of the initial term of this MTA. Supplier's performance in this regard shall be reviewed in the quarterly management reviews, pursuant to Section IX herein. Upon request Supplier will provide monthly reports and any requested back-up documentation to UTCFS detailing its compliance with this provision.

SECTION XII– PROVISIONS APPLICABLE TO SERVICES PERFORMED ON UTCFS PARTICIPATING SITES' FACILITIES

If Supplier intends to or does perform services within UTCFS Participating Site's facilities, the "Provisions Applicable to Services Performed on UTCFS Participating Sites Facilities" listed on the Suppliers Page at WWW.UTCFIREANDSECURITY.COM shall apply to Supplier.

SECTION XIII – SECURITY PROVISIONS

If, in the performance of the Services, Supplier employees, agents, representatives, subcontractors and subcontractor employees or any other individual which Supplier intends to or does utilize, perform unescorted work on UTCFS Participating Site's premises or have access to UTCFS Participating Site's computer systems under this contract, the "Contractor Security Requirements" listed on the Suppliers Page at WWW.UTCFIREANDSECURITY.COM shall apply to Supplier.

SECTION XIV – SECURITY FOR UTCFS INFORMATION STORED BY SUPPLIERS

If, in the performance of this work, Supplier intends to or does store UTCFS or UTCFS Participating Site information (as defined in the SOW), in paper, electronic, or any other form now existing or hereafter developed, the "Security for UTCFS

Information Stored By Supplier” terms listed on the Suppliers Page at WWW.UTCFIREANDSECURITY.COM shall apply to Supplier.

SECTION XV TERMINATION FOR CONVENIENCE

(a) Convenience. Notwithstanding any other provisions of this MTA or the Release, UTCFS may terminate the MTA and/or all or part of any Release at any time by giving notice in writing to Supplier. Upon receipt of such notice, Supplier shall promptly cease all work under the Release including the manufacture and procurement of materials and any subcontracts, in accordance with the notice.

(b) Rights and Obligations. In the event of such termination for convenience: (i) all work completed before the notice or completed thereafter in accordance with the notice shall be paid for by UTCFS at the rate provided in the Release; (ii) UTCFS shall reimburse Supplier for the actual and reasonable cost of work-in-process and partially completed work; (iii) UTCFS shall not be responsible for payment for any work which is rejected after inspection or does not comply with the applicable Release requirements; (iv) title to all work, materials and tooling shipped to, paid for or reimbursed by UTCFS shall vest in UTCFS and such work shall be promptly delivered by Supplier as required by UTCFS; (v) Supplier shall promptly return to UTCFS, or otherwise dispose of at UTCFS' direction, all UTCFS drawings, specifications, information, documents, software, tooling, raw materials and equipment in the possession of Supplier; (vi) Supplier shall have no claim for damages, compensation or loss of profit as a result of the termination, unless otherwise provided in this MTA (under no circumstances shall UTCFS be liable for special, indirect or consequential damages); and (vii) in the event of a partial termination, the price, delivery schedule and other requirements relating to the remainder of the Release shall not be affected by such termination.

SECTION XVI TERMINATION FOR DEFAULT

(a) Default. In the event that Supplier is in default (as such term is defined in the below Section entitled “Default”), under the terms of this MTA or any Release and does not remedy such default within any applicable cure period, if any, UTCFS may either terminate this entire MTA or cancel any and all Releases issued under this MTA at its sole option and without penalty by giving written notice of termination to Supplier.

(b) Rights and Obligations. In the event of such termination for default: (i) Supplier shall immediately cease to be a Preferred Supplier and UTCFS shall have no further obligation to Supplier under this MTA; (ii) Supplier shall continue to be responsible for the performance of any Release which is not canceled, including the applicable provisions of this MTA; (iii) UTCFS shall have no obligation to accept or pay for Products under any canceled Release other than Products delivered in accordance with such Release prior to cancellation; (iv) Supplier shall have no claim for damages, compensation or loss of profit as a result of such termination or cancellation; (v) Supplier shall promptly return to UTCFS, or otherwise dispose of at UTCFS' direction, all UTCFS drawings, specifications, information, documents, software, tooling, raw

materials and equipment in the possession of Supplier; and (vi) provide to UTCFS a worldwide, non-exclusive, paid-up, irrevocable, license, with the right to grant sublicenses, to Supplier's information, data, know-how, and other Intellectual Property including to the extent necessary to enable UTCFS to use, sell, offer for sale, import, export, copy, adapt, embed, modify, make derivative works, make, and have made the Deliverables (vii) Supplier shall indemnify UTCFS against all damages or penalties incurred by UTCFS as a result of Supplier's default.

(c) The parties agree that the provisions of this Section shall not apply to failures or delays in making deliveries of Deliverables when such failure or delay is due to any cause beyond the control and without the fault or negligence of Supplier and Supplier's subcontractors as provided in the force majeure; provided, however, UTCFS Participating Site may cancel without liability to Supplier its purchase of any such items.

(d) Supplier will be responsible for a UTCFS Participating Site's reasonable excess procurement costs if the UTCFS Participating Site temporarily procures Deliverables from another supplier in order to meet its delivery requirements because of the failure of Supplier to meet the Participating Site's delivery schedules or quality requirements, and such failure was not excused under the terms of this MTA or the Participating Site's Release.

(e) In the event of a default under this Section, and without prejudice to any other rights or remedies which the Participating Site may have at law, Supplier shall continue to be responsible for the performance of any Release which is not cancelled, and such Release shall remain subject to the provisions of this MTA.

SECTION XVII DEFAULT

(a) It shall be deemed a "Default" or "default" if:

- 1) Supplier fails to deliver any of the Deliverables as required under existing Releases within the time specified therein, and such failures are not excused under the Release terms, or Supplier fails to deliver any of the Deliverables as required under existing Releases that conform to the Release quality requirements; or
- 2) Without being excused, Supplier fails to perform any material provisions of Releases, or Supplier fails to make progress so as to materially endanger performance under this MTA, and Supplier fails to make substantial and good faith steps to cure such failure to UTCFS' reasonable satisfaction within a period of thirty (30) days after receipt of notice from specifying such failure; or
- 3) Supplier shall consent to the appointment of a receiver, trustee, liquidator, assignee, custodian, sequestrator or similar official of itself or of all or a substantial part of its property, or Supplier shall admit in writing its inability

to pay its debts generally as they come due, or shall make a general assignment for the benefit of creditors; or

- 4) Supplier shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a case under any chapter of a Federal Bankruptcy Code (or in the case of a non-U.S. Supplier, the applicable foreign bankruptcy law) or an answer admitting the material allegations of a petition filed against Supplier in any such case, or an order for relief shall be entered against Supplier in any such case, or Supplier shall by voluntary petition, answer or consent, seek relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of Supplier's business, or providing for an agreement, composition, extension or adjustment with its creditors; or
- 5) If an order, judgment or decree shall be entered in any proceeding by any court appointing, without the consent of Supplier, a receiver, trustee, liquidator, assignee, sequestrator or similar official of Supplier or of all or any substantial part of its property, or sequestering all or any substantial part of the property of Supplier, any such order, judgment or decree of appointment or sequestration shall remain in force undismitted, unstayed or unvacated for a period of ten (10) days after the date of entry, thereof; or
- 6) If any petition against Supplier in a case under any chapter of the Federal Bankruptcy Code (or in the case of a non-U.S. Supplier, the applicable foreign bankruptcy law) or any other bankruptcy or insolvency laws as now or hereafter in effect shall be filed and shall not be withdrawn or dismissed within ten (10) days thereafter.

SECTION XVIII CONFIDENTIALITY

(a) "Proprietary Information" shall mean any information disclosed to Supplier by UTCFS Participating Site or a party authorized by a UTCFS Participating Site, or, pursuant to the terms of this MTA or a Release, created by Supplier under this MTA or in connection with a Release. Such information may include, by way of example and not limitation: presentations, computer programs and documentation; design requirements and specifications, technical design, new product development, manufacturing and application information; customer information, supplier information (including information, such as price information, concerning UTCFS Participating Site's past, present or future suppliers as well information received by Supplier from its current or future suppliers to meet its obligations under a Release); training information; financial information, strategies, market trends, market projections; personnel information; advertising and business and marketing plans.

(b) Supplier shall have no obligation of confidentiality with respect to any Proprietary Information which:

- 1) was already known to Supplier prior to acquisition from, or disclosure by UTCFS Participating Site; or
- 2) is received without restriction as to disclosure by Supplier from a third party having the right to disclose it; or
- 3) is approved for release by written authorization of UTCFS Participating Site; or
- 4) is or becomes publicly known without fault of Supplier and through no improper act or omission of a third party.

(c) Supplier shall safeguard and shall neither disclose to any third person nor use for Supplier's own benefit or the benefit of others, Proprietary Information however or whenever acquired by Supplier

(d) Supplier hereby represents and warrants that Supplier is under no obligation to any other person or company whereby conflicts of interest are or may be created by Supplier entering into or performing a Release with UTCFS Participating Site.

(e) The Supplier shall contractually bind its employees and such other persons or parties as may be used by the Supplier in the performance hereunder to obligations substantially the same as those established under this Provision, and, in the event of a breach of these obligations by such employees, other persons or parties, Supplier shall enforce such contractual provisions and, upon the written request of UTCFS Participating Site, permit UTCFS Participating Site to enforce such contractual provisions in Supplier's name.

(f) Upon expiration or termination of the MTA for reason whatsoever, Supplier shall promptly return to UTCFS Participating Site or otherwise dispose of at UTCFS Participating Site's direction, all Confidential Information. Supplier's obligations under this section shall survive the termination or expiration of this MTA.

SECTION XIX INTELLECTUAL PROPERTY

(a) "Intellectual Property" shall mean all patents, copyrights, trade secrets, mask works, trademarks, Proprietary Information and other rights and information of a similar nature worldwide (such information includes, without limitation, inventions, ideas, discoveries, material specifications, and any written materials such as reports or memoranda, software code, drawings, schematics, process sheets, evaluations, test results, etc.).

(b) "Foreground Intellectual Property" shall mean all Intellectual Property and tangible work product conceived, created, acquired, or first reduced (i) to practice in connection with a Release, (ii) that involve the use of, or is based on, product

descriptions, requirements or specifications provided by the UTCFS Participating Site, (iii) in connection with activities for which the UTCFS Participating Site had agreed to compensate Supplier through the purchase of Deliverables; or (iv) in connection with activities for which the UTCFS Participating Site has been charged money.

(c) “Background Intellectual Property” shall mean all Intellectual Property other than Foreground Intellectual Property.

(d) Ownership and Use of Intellectual Property and Specifications. The UTCFS Participating Site shall be the exclusive owner of all right, title, and interest in and to all Foreground Intellectual Property. To the extent UTCFS does not already have such rights, Supplier hereby grants to the UTCFS Participating Site a worldwide, non-exclusive, perpetual, fully-paid, irrevocable, transferable license to Background Intellectual Property (i) to use, sell, offer for sale, import, export, copy, adapt, embed, modify, make derivative works, make and have made Deliverables and (ii) to enable the UTCFS Participating Site to practice the Foreground Intellectual Property.

(e) Assignment of UTCFS Intellectual Property. Supplier agrees to promptly identify to the UTCFS Participating Site all Foreground Intellectual Property. Supplier hereby assigns and agrees to assign to the UTCFS Participating Site all right, title and interest in the Foreground Intellectual Property. Supplier shall do all things reasonably necessary to enable the UTCFS Participating Site to secure and enforce patents, copyrights and other rights related to the Foreground Intellectual Property, including the execution of a specific assignment of title of the Foreground Intellectual Property right. Supplier agrees that, for any works of authorship created by Supplier or any employees or any others used by Supplier in the course of this Order, those works that come under one of the categories of “Works Made for Hire” in 17 U.S.C. §101 shall be considered “Works Made for Hire”.

(f) No Use of UTCFS Intellectual Property and Specifications. Except as expressly authorized herein, nothing in this MTA shall be construed as the UTCFS Participating Site granting Supplier a license in or any right to use any Intellectual Property of the UTCFS Participating Site other than in the performance of work under this MTA. Supplier agrees not to distribute and sell, except to the UTCFS Participating Site, any product or service that incorporates any UTCFS Intellectual Property (including without limitation any product based on a product requirement or specification provided by the UTCFS Participating Site). Supplier’s obligation shall survive the termination or expiration of this MTA.

(g) Moral Rights. Supplier, on behalf of itself, its employees and any others used by Supplier, hereby irrevocably waives all “moral rights”, all rights under the Visual Artists Rights Act, all rights of privacy and publicity, and the like, in all materials provided to UTCFS Participating Site.

(h) Supplier hereby represents and warrants to UTCFS Participating Site that all materials, devices and other information used by Supplier in performing the Services are lawfully and properly used by Supplier.

(i) Indemnification. Supplier agrees to indemnify, hold harmless, and defend the UTCFS Participating Site, its affiliates and subsidiaries, its employees, agents, directors, its customers and each subsequent purchaser or user (“Indemnified Party”) against any Loss resulting from, arising out of, or relating to any threat, demand, claim, injunction, investigation or lawsuit (“Claim”) alleging infringement or violation of any Intellectual Property rights or license (including for avoidance of doubt, direct, contributory and active inducement infringement) in connection with the use, making, selling, importing, and offering for sale of the Deliverables, including any Claim of infringement based on use of the Deliverables in combination with products and services not provided by Supplier (“Combination Claim”).

- 1) Notice. The Indemnified Party shall notify Supplier with reasonable promptness of any Claim but such notice shall not be a precondition of Supplier’s obligations. Any delay in such notice shall relieve Supplier of its obligations only to the extent that Supplier can show that such delay actually and materially prejudices Supplier.
- 2) Defense. At the request of the Indemnified Party, Supplier shall conduct the Indemnified Party’s defense (employing counsel acceptable to the Indemnified Party), at Supplier’s expense, against any such Claim, in such case the Indemnified Party shall have the right at its discretion and sole cost to be represented by its own counsel and to participate in the defense of the Claim.
- 3) Settlement. The Indemnified Party’s prior written consent shall be required for any settlement that reasonably can be expected to require a material affirmative obligation of, or result in any ongoing material liability to, the Indemnified Party.
- 4) Multiple Suppliers. In the event that Supplier’s obligations under this paragraph result from, arise out of, or relate to a Claim, other than a Combination Claim, that concerns products and services provided by more than one supplier then the Indemnified Party shall select lead counsel to defend such Claim. Supplier agrees to share authority and control over the defense of any such Claim with the Indemnified Party and the other suppliers and agrees to cooperate with the Indemnified Party and other suppliers in order to defend the Indemnified Party in a concerted effort. Supplier shall promptly pay its share of the Loss when due, such share being the total Loss multiplied by a fraction equal to the net amount paid by the Indemnified Party to Supplier for the Deliverables divided by the total aggregate net amount paid by the Indemnified Party to all suppliers for products and services that are involved in the Claim.

(j) Supplier shall contractually bind its employees and such other persons or parties as may be used by the Supplier in the performance of Services hereunder to obligations substantially the same as those established under this provision, and, in the event of a breach of these obligations by such employees, other persons or parties, Supplier shall enforce such contractual provisions and, upon the written request of UTCFS Participating Site, permit UTCFS Participating Site to enforce such contractual provisions in Supplier's name.

(k) Deliverables sold under this MTA shall bear solely UTCFS' trademarks (or those of its customers) in accordance with the direction of UTCFS. Deliverables shall not bear any of the Supplier's trademarks or trade names.

(l) Supplier will promptly notify UTCFS of any and all infringements, imitations, simulations or other illegal use or misuse of UTCFS' Intellectual Property which come to Supplier's attention.

(m) All molds, tooling and implements of manufacture used solely in connection with UTCFS's Products Supplier produces hereunder on a contract manufacture basis ("Implements of Manufacture") shall at all times remain the exclusive and permanent property of UTCFS, even if prepared in whole or in part by Supplier. Except as otherwise agreed by the parties, Supplier will bear the cost of all initial or new Implements of Manufacture. Without the prior written consent of UTCFS, Supplier shall not: (i) dispose of, change or move any Implements of Manufacture from its stated location, or (ii) use the Implements of Manufacture for any purpose other than in furtherance of this MTA. Supplier shall conspicuously identify and label each of the Implements of Manufacture and, whenever practical, each individual item thereof, as the property of UTCFS and shall safely store such items separate and apart from Supplier's property. Supplier shall keep the Implements of Manufacture in a good and safe working condition at its own cost and expense, in its own custody at its place of business, and at all times shall exercise reasonable care and control in using the Implements of Manufacture so that upon return to UTCFS, the Implements of Manufacture shall be in as good of a working order and in as good of a condition as it was upon delivery, except for reasonable wear and tear. UTCFS may enter the premises of Supplier at any reasonable time to conduct a physical inventory of the Implements of Manufacture. Supplier will inspect the Implements of Manufacture prior to use and will train and supervise its employees in the proper and safe operation thereof. Further, Supplier shall release, defend, hold harmless and indemnify UTCFS, its directors, officers, employees, agents representatives, successors, assigns, and customers from any and all claims, demands, losses, judgments, damages, costs, expenses or liabilities arising from any negligent act or omission of Supplier related to the Implements of Manufacture while it is in Supplier's care, custody and/or control. The Implements of Manufacture shall be subject to removal at UTCFS's written request, in which event Supplier shall prepare the Implements of Manufacture for shipment and shall deliver such Implements of Manufacture to UTCFS in the same condition as originally received (less reasonable wear and tear), otherwise, Supplier shall bear all

costs associated with repair or replacement of the Implements of Manufacture. UTCFS will bear all usual and reasonable costs of the return of the Implements of Manufacture.

SECTION XX– GENERAL

(a) Standard Terms and Conditions of Purchase. All Releases are governed by the terms of this MTA and those terms are incorporated in each Release.

(b) Order of Precedence. In the event of any conflict or inconsistency between the provisions of this MTA and the Releases issued hereunder, such conflict or inconsistency shall be resolved by giving precedence to the provision in the following order of priority:

- 1) The price, delivery, specifications, drawings, work statements and other Deliverable requirements included in Releases;
- 2) Terms of this MTA;
- 3) Terms of the applicable Release, provided that if the Release includes a modification of an MTA term by specific reference to the MTA provision, such Release modification will take precedence over the MTA provision.

(c) Captions. Captions used herein are for convenience of reference only and shall not control or affect in any way the meaning, construction, or interpretation of any of the provisions hereof.

(d) Modification. No agreement or understanding varying or extending this MTA shall be binding upon either party hereto unless made in writing referencing this MTA and signed by a duly authorized officer or representative of the party to be bound.

(e) Governing Law and Jurisdiction. This MTA and any Releases issued hereunder shall be governed by and construed under the laws of the State of Connecticut excluding its conflict of law rules. In the event any dispute arises out of this MTA or a Release, any action or claim shall be brought in a state or federal court in the State of Connecticut, and Supplier hereby irrevocably consents to personal jurisdiction and venue in said courts. For purposes of this MTA, Supplier agrees to submit to the jurisdiction of the courts of the State of Connecticut, United States of America (“USA”) or the federal courts of the USA as the appropriate forum for dispute resolution. In any event, the validity, construction and performance of this MTA shall be governed by and construed in accordance with the laws of the State of Connecticut, USA applicable to contracts between residents of, and entered into and contracts performed entirely within the State of Connecticut.

(f) Merger and Entire Agreement. The terms and conditions of this MTA (including all attachments and documents incorporated by reference) constitute the entire agreement between the parties and shall supersede all previous communications,

agreements, and representations, either oral or written, with respect to the subject matter hereof, and no agreement or understanding varying or extending this MTA shall be binding upon either party hereto, unless in writing signed by duly authorized representatives of both parties.

(g) Indemnification. Supplier shall defend, indemnify and hold harmless UTCFS, including its affiliates and subsidiaries, and its employees, agents, directors (each an Indemnified Party as such term is defined in Section XIX (i)) from and against any and all Losses arising out of, or resulting in any way from any defect in the goods or services purchased hereunder, from any failure to comply with UTCFS's supplier quality requirements, from Supplier's negligence, or from Supplier's acts or omissions in any respect hereunder.

- 1) Notice. The Indemnified Party shall notify Supplier with reasonable promptness of any Claim but such notice shall not be a precondition of Supplier's obligations. Any delay in such notice shall relieve Supplier of its obligations only to the extent that Supplier can show that such delay actually and materially prejudices Supplier.
- 2) Defense. At the request of the Indemnified Party, Supplier shall conduct the Indemnified Party's defense (employing counsel acceptable to the Indemnified Party), at Supplier's expense, against any such Claim, in such case the Indemnified Party shall have the right at its discretion and sole cost to be represented by its own counsel and to participate in the defense of the Claim.
- 3) Settlement. The Indemnified Party's prior written consent shall be required for any settlement that reasonably can be expected to require a material affirmative obligation of, or result in any ongoing material liability to, the Indemnified Party.

(h) Insurance. Supplier shall maintain insurance covering its liability to its employees and to UTCFS in amounts and with companies satisfactory to UTCFS, admitted to do business in the state or country (as applicable) in which the MTA will be performed and holding a current Best's rating of "A minus" or better. The insurance coverage required by the MTA shall not be less than the following: (i) Workers' Compensation Insurance in accordance with the laws of the state or country, as applicable, in which the MTA is performed and Employer's Liability Insurance, in the amount required by such laws or \$1,000,000 per accident for bodily injury and \$1,000,000 per employee/aggregate for disease, whichever is greater; (ii) Commercial General Liability Insurance, including contractual liability, with a \$5,000,000 combined single limit per occurrence; (iii) Automobile Liability Insurance with \$2,000,000 combined single limit per accident; and (iv) Professional Liability Insurance subject to a

limit of \$2,000,000. Supplier shall name UTCFS as an additional insured on its policies.
[COMMENT: Consider adding product liability and intellectual property insurance]

(i) Certificates. Certified copies of policies or certificates evidencing insurance coverage and naming UTCFS as an additional insured shall be filed with UTCFS within thirty (30) days after the date of this MTA and within a reasonable time after any renewal or changes to such policies are issued. Such certificates shall provide that there shall be no cancellation, non-renewal or material reduction for such coverage without thirty (30) days prior written notice to UTCFS. All such insurance policies will be primary in the event of loss arising out of Supplier's performance of this MTA. Supplier's failure to provide copies of policies or certificates shall not be deemed a waiver by UTCFS of such coverage or a waiver of the obligation of Supplier to obtain such coverage. To the extent permitted by law, Supplier and its insurer(s) agree that subrogation rights against UTCFS are hereby waived and will be reflected in any certificates required under this MTA.

(j) Release Terms and Conditions. The terms and conditions stated on the UTCFS Release or incorporated therein will apply to all purchases. Unless otherwise expressly agreed in writing between the parties, no other Release terms and conditions will apply to the performance of this MTA.

(k) Independent Contractor. Supplier shall perform the services required under this MTA as an independent contractor and shall have exclusive control and direction of the persons engaged by Supplier to perform such services, including, but not limited to, employees of Supplier working at UTCFS facilities. Supplier assumes full responsibility for the acts and omissions of such persons. Supplier shall have exclusive liability for the payment of and compliance with regulations pertaining to local, state, and federal or other governmental entity payroll taxes or contributions, and taxes for unemployment insurance, workers' compensation, social security and/or similar or related protection for such persons, as required by applicable law. As required by this MTA, Supplier agrees to indemnify and hold UTCFS, its officers, agents, and employees harmless from and against any and all damages, liability, and costs including attorney's fees, arising from the negligent acts or omissions or intentional conduct of such persons or Supplier's failure to comply with the above requirements, rules and regulations.

(l) Force Majeure. Neither UTCFS, Supplier nor any UTCFS Participating Site shall be liable for damages for any failure or delay in the performance of this MTA or any Release resulting from causes beyond its and its subcontractors (if any) reasonable control including, but not limited to, unforeseeable events such as acts of God, acts of Government, war, court order, riots, natural disasters, labor strikes, and lockouts. UTCFS Participating Site may cancel without liability to Supplier its purchase of any Deliverables affected by Supplier's failure or delay in performance. The party incurring the delay shall give timely notice to the others of any such event and shall use all reasonable efforts to avoid or remove the cause and resume performance with minimum delay. The parties shall jointly prepare a contingency plan to address the potential impact of any such event.

(m) Publicity. Supplier shall not make or authorize any news release, advertisement, or other disclosure which shall deny or confirm the existence of this MTA or a Release or which shall make use of UTCFS Participating Site's name without the prior written consent of UTCFS Participating Site, except as may be reasonably required to perform the Release.

(n) Assignment. Neither this MTA nor any interest hereunder shall be assignable by either party unless such assignment is mutually agreed to in writing by the parties hereto; provided, however, that UTCFS may assign this MTA to any corporation with which UTCFS may merge or consolidate or to which UTCFS may assign substantially all of its assets or that portion of its business to which this MTA pertains or to any third party provider of "integrated services" who will purchase the Deliverables for UTCFS' benefit, without obtaining the agreement of the Supplier.

(o) Partial Invalidity. If in any instance any provision of this MTA shall be determined to be invalid or unenforceable under any applicable law, such provision shall not apply in such instance, but the remaining provisions shall be given effect in accordance with their terms.

(p) Audit. Supplier agrees to keep for a period of three (3) years after the expiration or termination of each Release complete and accurate records of all services performed and all amounts invoiced and received under such Release based on cost reimbursement or time and material. UTCFS Participating Site or an authorized representative of UTCFS Participating Site shall have the right to audit such records at any time and during normal business hours, and shall have the right to appoint a neutral third party to audit similar records to assess whether prices to the UTCFS Participating Site are not less favorable than those extended to any other customer for the same or similar Deliverables or class of Deliverables.

(q) Change in Control. In the event there is a change in control with respect to Supplier, UTCFS shall have the right to terminate this MTA or the applicable Release in whole or part without recourse against UTCFS. A change in control of Supplier is deemed to have occurred if either: (1) there is a change in the beneficial ownership, directly or indirectly, of twenty-five percent (25%) or more of the ownership interests in Supplier; or (2) the persons who were directors of Supplier prior to any merger, tender offer, exchange offer, consolidation, sale of assets or contested election or any combination of the foregoing, cease to constitute a majority of the Board of Directors of Supplier or of any parent of or successor to Supplier.

(r) Other Provisions. Both parties acknowledge that this MTA and all obligations it contains take precedence over any existing contractual arrangements between UTCFS and Supplier. No term or provision shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented.

(s) Compliance with Laws and Supplier Ethics. Supplier certifies that no Deliverables will be produced utilizing forced, indentured or convict labor, or persons in violation of the minimum working-age law in the country of manufacture. Supplier will comply with all applicable laws and regulations including applicable laws and regulations (i) protecting the environment (including the minimization of waste, emissions, energy consumption and materials of concern), (ii) regarding improper payments or bribes, (iii) preventing money-laundering, (iv) regarding fair competition and antitrust, (v) regarding export control and international trade, (vi) protecting human rights and worker safety (including the prohibition of the use of child and forced labor), (vii) respecting valid intellectual property rights, and (viii) protecting privacy. Supplier will not pay, promise to pay or authorize the payment of any money or anything of value to any person or entity for the purpose of illegally or improperly inducing a decision or obtaining or retaining business or any advantage. Each chemical substance constituting or contained in Deliverables is on the list of chemical substances compiled and published by the European Inventory of Existing Commercial Chemical Substances (EINECS) or the European List of Notified Chemical Substances (ELINCS) or any equivalent lists in any other jurisdictions to which the Deliverables are likely to be shipped. No Deliverables contain: (i) any arsenic, asbestos, benzene, polychlorinated biphenyls (PCBs), carbon tetrachloride, lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE); (ii) any other hazardous substances the use of which is restricted under EU Directive 2002/95/EC (27 January 2003) (RoHS Directive), as amended; (iii) any chemical restricted under the Montreal Protocol on ozone-depleting substances; or (iv) any other chemical the use of which is restricted in any other jurisdictions to which the product is likely to be shipped; unless Supplier expressly agrees otherwise in writing as an addendum hereto. To the extent that any Deliverables contain hazardous materials, Supplier will provide all relevant information pursuant to applicable requirements in any other jurisdictions to which UTCFS informs Supplier the Deliverables are likely to be shipped. To the extent any of the Deliverables are “electrical or electronic equipment” under EU Directive 2002/96/EC (27 January 2003) (WEEE Directive), as amended, Supplier agrees to assume responsibility for taking back those Deliverables so listed in the future upon the request of UTCFS and treating or otherwise managing them in accordance with the requirements of the WEEE Directive and applicable national implementing legislation. For all purchases delivered within the United States of America, Supplier will comply with any provisions, representations or agreements, or contractual clauses required thereby to be included or incorporated by reference or operation of law, including the Equal Opportunity Clause set forth in 41 CFR Chapter 60-1.4, the Affirmative Action Clause regarding Disabled Veterans and Veterans of the Vietnam Era set forth in 41 CFR Chapter 60-250.4, the Affirmative Action Clause regarding Handicapped Workers set forth in 41 CFR Chapter 60-741.4; the provisions of 29 CFR part 470 pursuant to Executive Order 13201; and any other provisions or contractual clauses required by the OFCCP as set forth in 41 CFR Chapter 60, as well as any Executive Orders as now or hereafter issued, amended or codified; and Supplier is in compliance with the requirements for non-segregated facilities set forth in 41 CFR Chapter 60-18. SUPPLIER HEREBY AGREES TO THE TERMS OF THE UTCFS SUPPLIER CODE

OF ETHICS - SUPPLIER REQUIREMENTS AND RESPONSIBILITIES DOCUMENT
AVAILABLE AT WWW.UTCFIREANDSECURITY.COM.

(t) Export/Import Compliance. Supplier shall be solely responsible and liable for compliance with all local, state, and federal laws, rules, and regulations applicable to the manufacture, use, importation, exportation or the re-importation/re-exportation of the goods and/or services provided under this MTA. Supplier shall comply with all applicable import/export and customs control laws and regulations of the country having proper jurisdiction and, in particular, the United States of America for any goods and/or services provided under this Order. Supplier shall provide UTCFS with the jurisdiction and export control classification number (ECCN) of its products and shall maintain export records for at least six (6) years.

(u) **COMPLETE AGREEMENT: THIS AGREEMENT (INCLUDING ALL ATTACHMENTS AND DOCUMENTS INCORPORATED BY REFERENCE OR ATTACHED BY UTCFS) SHALL CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND SHALL SUPERSEDE ALL PREVIOUS COMMUNICATIONS, ORDERS, AGREEMENTS, AND REPRESENTATIONS, EITHER ORAL OR WRITTEN, WITH RESPECT TO THE SUBJECT MATTER HEREOF, AND NO AGREEMENT OR UNDERSTANDING VARYING OR EXTENDING THIS AGREEMENT SHALL BE BINDING UPON UTCFS UNLESS IT IS SIGNED IN WRITING.**

IN WITNESSETH WHEREOF, the parties hereto have by their duly authorized representatives executed this MTA on the date written below.

UTC FIRE & SECURITY CORPORATION

[Supplier Legal Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title _____

Date: _____

Date: _____

mvalston.2

ATTACHMENT A
STATEMENT OF WORK

dated _____

[This Attachment includes an accurate description of the goods and services as well as, if applicable, **lead times.**]

UTCFS Participating Sites:

Description:

Qualifications:

Delivery Schedule:

Lead Time:

Penalty for Failure to Meet Lead Time:

[If purchasing raw material]Sourcing Raw Materials:

1. **Establish Appropriate Contracts with Suppliers of Materials.** Supplier and its affiliates and subcontractors shall establish appropriate contracts with suppliers of raw or key materials and shall make reasonable efforts to ensure stability of its sources of supply.
2. **Inventory Management Processes.** Supplier shall implement and, as necessary, update inventory management processes and procedures reasonably designed to ensure that Supplier has on hand, when necessary, key raw materials.
3. **Establishment of Second Sources of Supply.** Supplier shall have on hand inventories of raw materials to meet specific demand for advanced periods of supply.
4. **Establishment of Secondary Sources of Supply.** Supplier shall establish secondary sources and shall notify UTCFS of this fact in writing.

Prices

[Include prices, labor rates, time-and-material rates, reimbursable expenses, non-recurring costs not-to-exceed limits, discounts, rebates, as appropriate]

Except as otherwise expressly set forth in this MTA, prices shall be fixed and inclusive of all taxes, duties, customs charges, fees, etc. unless otherwise noted in writing in this MTA. Prices shall not be subject to change due to any reason, including, but not limited to, raw material changes, financial hardship, regulatory changes (laws, regulations, industry standards, testing, taxes, etc.).

Foreign Exchange Rate: [How will this risk be addressed?] [Consider putting cost in local currency of the UTCFS entity and have it paid that way. Also, consider a FX contract to insulate against this if appropriate. Consider other mechanisms. Need Finance's input]

Quality Specifications

General Quality Specification/Requirements: See SQR-01 at:

<http://www.utcfireandsecurity.com/utcfs/ws-70/Assets/Supplier%20Quality%20Requirements.pdf>

Specific Quality Specification: The specific quality specifications for this MTA are:

If Compressed Gas Cylinders are part of the Deliverables, the "Quality Specifications and Additional Terms for Filled Compressed Gas Cylinders" terms shall apply. These terms may be attached to this MTA. If not, the terms are available at:

<http://www.utcfireandsecurity.com/utcfs/Templates/Pages/Template-31/0,8054,pageId%3D80181%26siteId%3D70,00.html>

[ADD SPECIFICS HERE]

Failure to comply with the general or specific quality specifications shall be a breach of contract under this MTA.

[NEED INPUT FROM QUALITY/SUPPLY MANAGEMENT-FOR UTCFS EMPLOYEE TO MODIFY]

QUALITY CONTROL/LEAN MANUFACTURING PERFORMANCE REQUIREMENTS

1. Quality PPM's at most 500PPM, where PPM = (total parts rejected/total parts delivered) X 1,000,000
2. On-time delivery equal to or greater than 98%

3. Quality Escapes and consistent late deliveries shall be investigated for root cause and action plans developed to eliminate the problem. For delivery performance less than 98% on time and/or quality above 200 parts per million defective, the supplier shall submit to UTCFS the actions being taken to drive delivery and quality performance to the minimum threshold.
4. Average Lead-time reduction for all parts of 15% year over year.
5. System integrator Suppliers must submit on a semi-annual basis, a report on its sub-tier supplier quality, delivery, lead time and cost, together with a risk assessment of the supporting supply chain.
6. Supplier shall deliver parts in accordance with published TAKT times or delivery intervals as defined by UTCFS.

ATTACHMENT B

dated _____

Schedule of Separate Documents Provided to Supplier

The following documents listed on this Schedule have been provided to Supplier prior to the signing of this MTA and are hereby incorporated by reference as part of this MTA:

**Attachment _____ dated _____ to the Master Terms Agreement
[TO BE USED WHEN SOURCING COMPRESSED GAS CYLINDERS]**

Quality Specifications and Additional Terms for Filled Compressed Gas Cylinders

Capitalized terms not otherwise defined herein shall have the meanings as described in the Master Terms Agreement (the "Agreement" or "MTA").

Compressed Gas Cylinder Requirements:

1. Compressed gas cylinders must be in a condition satisfactory to the applicable UTCFS Participating Site and received from the Supplier in the following manner:
 - a. The cylinders shall be (i) new with a date of manufacturing not older than required by applicable law or (ii) recertified by an accredited company, with the date of recertification stamped on the shoulder of the cylinder. Recertified cylinders shall be recertified the earlier of every ten (10) years or as otherwise required by applicable law.
 - b. Internally clean, free from corrosion or other visible damage, such as dents, failing welds, worn threads, or gauge damage.
 - c. Fitted with appropriate cylinder valve assembly and transportation protection (i.e. protective cap, transport cap, discharge and actuation port cap, locking pins, metal sleeving).
 - d. Equipped with adequate vent openings in the caps and an engineered safety device designed to relieve excessive pressure, commonly known as a "safety relief valve" or "burst disc." This requirement shall not apply to

containers which hold poisonous gas, where the toxicity of the gas in the cylinder is greater than the hazard of cylinder failure. Any caps and safety relief valves utilized must meet the approval of a national agency, such as the American Society of Mechanical Engineers (ASME) or equivalent and ISO 11117 or equivalent.

- e. Identifying the direction of the valve outlet at factory/assembly through a sticker or other visual identifier so that the identifier can be seen with the valve cap in place so that the cap does not have to be removed in order to see the valve outlet; or the cylinder is delivered with an attached cape with a viewing port.
- f. Delivered in vehicles suitable for the load, possessing sufficient means of securing the cylinders, having a separate designated compartment in which to transport the cylinders from the personnel area (cab), which may be by segregation (steel compartment) or open area. Vehicles shall be fitted with the relevant signs indicating that compressed gas is being carried and all requirements set out in applicable transportation regulations must be complied with.
- g. Cylinders shall be transported only in quantities, vehicles and conditions allowed by law or applicable regulation or standard.
- h. Delivered and unloaded by personnel who are trained in the safe handling and transportation of compressed gas, and where required who have applicable licenses/permits, possess suitable mechanical aids to transport the cylinders safely and are familiar with the Material Safety Data Sheets (MSDS) or other applicable data sheets and emergency procedures for the type of gas they are transporting
- i. Unloaded from, the transport vehicles with material handling devices suitable for the weight of the product and otherwise transported in new, suitable, safe and appropriate condition.
- j. Delivered in a secured condition with the valve assembly (transport or protective cap) in place and undamaged and otherwise stored properly prior to shipment. Supplier shall ensure that the cylinders are stored in a defined well ventilated compressed gas cylinder storage area. The storage area must be suitable and sufficient to protect the cylinders from damage and have adequate means to secure/fixate the cylinders bracketed and in an upright position. The storage room shall allow for sufficient space for service/maintenance work.
- k. Labeled (including gas lines and hoses) appropriately, including a warning label indicating the contents and that the product is under pressure. Supplier shall ensure that each cylinder is labeled in a clearly legible and conspicuous form, stating the content of the gas and whether it is

hazardous and or toxic and the storage pressure- contained therein, and providing the UTCFS Participating Site with a copy of any restrictions on handling or use. The Supplier shall provide the installation manual to UTCFS or to any applicable installers. Supplier shall ensure that said installers are trainer/certified in handling and installing the cylinders.

- I. In compliance with any applicable UTCFS policies regarding cylinders.

Cylinders delivered not adhering to these criteria will be refused at the cost of the Supplier with no charge to UTCFS.

Inspection, Rejection: UTCFS, a UTCFS Participating Site, or their designee, may, at its option, inspect and test all cylinders, at all reasonable times and places, including during manufacture. Supplier shall provide, without additional charge, all reasonable facilities and assistance for such inspections and tests.

All inspection records relating to the cylinders shall be available to a UTCFS Participating Site during the performance of the Release and for such longer periods as specified by a UTCFS Participating Site.

If any cylinders are defective or otherwise not in conformity with UTCFS requirements, including but not limited to, the requirements outlined in this Attachment, UTCFS or its designee may, without financial or other penalty or consequence, including liquidated damages, (i) reject the cylinders in whole or in part and terminate the MTA and rescind the entire agreement if such defect or non-conformity materially affects UTCFS or a UTCFS Participating Site or (ii) reject such cylinders and require the delivery of replacements. Cylinders of replacements shall be accompanied by a written notice specifying that such cylinders are replacements. If Supplier fails to deliver required replacements promptly, the UTCFS Participating Site may (i) replace, obtain or correct such cylinders and charge Supplier the cost incurred by the UTCFS Participating Site as a result, or (ii) terminate the order for cause.

Rejected Deliverables, at UTCFS Participating Site's option, shall be returned to Supplier at Supplier's cost.

Warranty: Supplier warrants that the cylinders shall be packaged, marked, labeled and transported in full compliance with all applicable laws and that Supplier shall otherwise comply with all applicable laws, approvals, standards, and regulations with respect to the provision of the cylinders, including, but not limited to, import, export, and environment, health and safety laws and requirements. Supplier also acknowledges the need for qualified persons to handle and deliver the Deliverables and shall ensure that they provide qualified and trained personnel. Supplier shall indemnify, protect, defend and save UTCFS and UTCFS Participating Sites harmless from all suits, claims, loss, damages, liabilities, injuries, costs or expenses (including attorneys fees) arising out of, or caused by, Supplier's breach of warranty, its performance hereof and or any defects

in the cylinders. This warranty is in addition to any other warranties or remedies that may be available to UTCFS/ UTCFS Participating Sites under contract, or law, or in equity.