



Navistar, Inc.  
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## **STANDARD TERMS AND CONDITIONS FOR SERVICES**

1. **SERVICES.** Navistar, Inc. and its affiliates and subsidiaries (“Navistar”) is hereby retaining Service Provider to provide, under Navistar’s direction, the services as set forth in Navistar’s purchase order and/or statement of work (“Purchase Order”) which involves Service Provider performing the applicable tasks defined therein (collectively, the “Services”).
2. **CONTRACT.** For purposes of these Standard Terms and Conditions For Services, the term “Contract” shall mean a Master Services Agreement (including any Statements of Works thereunder), Standard Terms and Conditions For Services, and Purchase Orders. In the event of a conflict between the documents which constitute the Contract, the documents shall govern in the order they are mentioned above unless otherwise expressly stated in a specific document. No terms or conditions submitted by Service Provider apply to a Contract unless accepted in writing by Navistar. Service Provider shall be deemed to have accepted the Contract at the earlier of (i) Service Provider notifying Navistar of its acceptance or (ii) Service Provider beginning performance of the Services pursuant to the Contract.
3. **PAYMENT.** Standard payment terms shall be ninety (90) days from date of receipt of a correct invoice from Service Provider. Service Provider payments are issued on a weekly basis and are released every Monday for pay through dates as of the prior Friday. All payments shall be made in U.S. dollars.
4. **CHANGES TO SERVICES.** Any and all changes and additions to the Services shall be made in writing. Service Provider shall advise Navistar of the additional costs and time required and proceed only after written authorization has been received by a modification to the applicable Purchase Order.
5. **WARRANTY.** Service Provider warrants that the Services shall (a) be performed in a professional and workmanlike manner, (b) be free from any defects in workmanship and (c) conform to the requirements of this Contract. All Services shall be received subject to Navistar’s inspection or rejection. Payment for Services prior to inspection shall not constitute an acceptance thereof.
6. **AUDIT RIGHTS.** Service Provider shall permit Navistar and its authorized representatives, including its accountants and attorneys, reasonable access to all of Service Provider’s books and records pertaining to the performance of the Services, wherever such books and records may be located and shall also grant Navistar and its representatives reasonable access to Service Provider’s business and operations personnel involved in the performance of the Services.
7. **SUPPLIER DIVERSITY PROGRAM.** Service Provider agrees to utilize “Small Business Concerns, Small Disadvantaged-Owned Business Concerns, Minority-Owned Business Concerns, Women-Owned Business Concerns, Veteran-Owned Business Concerns, Service Disabled-Owned Veteran Business Concerns, and HUBzone-Located Business Concerns” as required by Federal Laws, 97-507, 99-661, 100-656, 103-355, 105-135 and 106-50.

Navistar’s policy states that all service providers receiving Contracts from Navistar in excess of six hundred fifty thousand dollars (US\$650,000), except small business concerns defined above, will set a twenty-three percent (23%) minimum spending goal to further subcontract with Small Business Concerns; will, in addition set a five percent (5%) minimum spending goal to further subcontract with Small Disadvantaged-Owned Business Concerns; will, in addition, set a five percent (5%) minimum spending goal to further subcontract with Minority-Owned Business Concerns; will, in addition, set a five percent (5%) minimum spending goal to further subcontract with Women-Owned Business Concerns; and will, in addition, set a three percent (3%)

minimum spending goal to further subcontract with Veteran-Owned Business Concerns, Service Disabled Owned Veteran Business Concerns, and HUBzone-Located Business Concerns commensurate with Service Provider's sales to Navistar. Service Provider further agrees to submit an annual written plan to Navistar by August 31 of each year outlining how the above stated goals will be achieved. Reference is hereby made to the Supplier Diversity section of the Navistar Supplier Network ("NSN") [www.navistarsupplier.com](http://www.navistarsupplier.com).

Service Provider also agrees to report its accomplishment toward the above goals on a quarterly basis in the Navistar's Reporting System as required by FAR Part 19.7. Navistar acknowledges and agrees that, for purposes of satisfying the foregoing goals: (i) such goals apply only to those goods and services purchased by Service Provider in the United States; and (ii) a purchases of goods and services may be entitled to credit toward more than one of the foregoing goals depending on the status of the subcontractor – e.g., a subcontract with a "Minority Owned Business Concern" may also qualify as a subcontract with a "Small Disadvantaged-Owned Business Concern" and/or a "Women-Owned Business Concern."

- 8. ELECTRONIC INVOICING.** If requested by Navistar, Service Provider shall submit and receive all invoices and Purchase Orders to and from Navistar with respect to the Services by using Navistar's electronic invoicing system. Navistar is responsible for providing the requirements for the electronic invoicing system to Service Provider and shall provide any required software and training. Service Provider shall comply with any conditions to use the Navistar specified electronic invoicing systems, which such conditions are subject to change from time to time. Service Provider agrees that any electronic invoices will be deemed sufficient for enforceability under any state's statute of frauds or similar law.
- 9. CALIFORNIA HUMAN TRAFFICKING LAW.** By Service Provider providing Services to Navistar, including any of Navistar's Third Party Designees, Service Provider is affirmatively representing and warranting that Service Provider and its subcontractors do not, directly or indirectly, engage in or otherwise support Human Trafficking. Human Trafficking is defined as: the recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.
- 10. U.S. EXPORT CONTROLS AND COMPLIANCE.** This language will apply only to the extent that Service Provider is provided access to Export-Controlled Material (as defined below) by Navistar.

Certain technical data, technology, software, defense services, defense articles, and commodities (collectively "Export-Controlled Material") are controlled by either the International Traffic in Arms Regulations ("ITAR", 22 CFR 120-130) or the Export Administration Regulations ("EAR", 15 CFR 730-774) and require a valid license or other approval from the U.S. Department of State or Department of Commerce prior to export, transfer, reexport, or retransfer to a "Foreign National" or "Foreign Person" (as these terms are defined at EAR § 734.2(b)(2)(ii) and ITAR § 120.16, respectively). An export, transfer, re-export, or retransfer includes the provision of defense services or the disclosure or transmission (including oral or visual disclosure) of technical data, technology, or software to a Foreign National or Foreign Person, whether such activity takes place in the U.S. or in another country. Service Provider shall not make any temporary or permanent export, transfer, reexport, or retransfer of Navistar-origin Export-Controlled Materials to a third party. Service Provider must promptly notify Navistar, in writing, if Navistar-origin Export-Controlled Material is transferred to any unauthorized Foreign National or Foreign Person. Service Provider will defend, indemnify and hold Navistar harmless from and against any and all claims, judgments, costs, awards, expense (including reasonable attorneys' fees) and liabilities of any kind arising from Service Provider's noncompliance with applicable United States or foreign government regulations, statutes, decrees or other obligations regarding the use or transfer of any Navistar-origin Export-Controlled Material by Service Provider.

- 11. CORRUPTION PREVENTION AND TRADE COMPLIANCE.** Service Provider will conduct its business operations in accordance with all applicable laws and regulations including, but not limited to, the United States Foreign Corrupt Practices Act ("FCPA"), the United Kingdom's Bribery Act ("UK Bribery Act") U.S. Foreign Asset Control Laws ("OFAC"), and U.S. Export Control Laws, and will not attempt to directly or indirectly improperly obtain any benefit by payments, the giving of anything of value or other actions contrary to any applicable law or regulation. Service Provider has not made and will not make, directly or indirectly,

any payment of funds (i) to any government official or any representative or employee of a government entity, (ii) to any employee or representative of any purchaser, or (iii) which is illegal under any applicable law inside or outside of the country in which Service Provider will provide the Services including, but not limited to, the FCPA and UK Bribery Act, all as may be amended from time to time. Service Provider has not requested the return, and will not accept the return, directly or indirectly, of any portion of the funds paid by it to Navistar or paid by any purchaser or end-user of products or services, nor will any director, officer, or employee of Service Provider so request or accept any such funds. Neither Service Provider nor any employee, agent or principal of Service Provider nor any of their immediate families is or will be (x) a foreign governmental official or any employee or representative of a foreign governmental entity, or (y) an official or employee or representative of or holder of a beneficial interest in any purchaser of Products or Services sold by Service Provider pursuant to this Agreement and any resulting subcontract agreement. No government entity or ultimate purchaser has or will have a beneficial interest in Service Provider's business. If Service Provider assists in the actual sale of goods, Service Provider will investigate the identity of the ultimate end-user of the goods to be sold and will provide documentation as requested by Navistar regarding the ultimate end-user and the use of goods to be sold. Service Provider hereby agrees that it will put into place for itself and all related companies, policies, procedures and guidelines with respect to all applicable laws and regulations including, but not limited to OFAC, U.S. Export Control Laws, the FCPA and the UK Bribery Act and that Service Provider will provide compliance and anti-corruption training to its employees and representatives as well as employees and representatives of all related companies on an as-needed basis and not less than annually. Service Provider further acknowledges that Navistar shall have the right to terminate this Agreement if Service Provider fails to institute such policies, procedures and guidelines within sixty (60) days of the effective date of this Agreement or if Service Provider fails to provide the above-referenced training on an annual basis. Service Provider acknowledges that Navistar's corporate policy prohibits payments made to induce a government official to perform a routine duty or service, commonly referred to as "facilitating payments" and Service Provider agrees that no such payments will be made or offered by Service Provider to carry out its obligations in connection with this Agreement and any resulting subcontract agreement. Service Provider shall obtain and maintain any and all licenses, concessions and permits Service Provider is required to obtain under any applicable law or regulation for Service Provider to carry out its obligations in connection with this Agreement and any resulting subcontract agreement. Service Provider has not been convicted of, pleaded guilty to or been charged with any offense involving fraud, corruption or bribery in any jurisdiction or country. Service Provider shall keep accurate books and records and shall preserve all books, records, data and evidence of procedures and policies relating to the Service Provider's compliance with the foregoing and shall make all books, records, data and evidence of procedures and policies relating to compliance with the foregoing available for examination and audit by upon request of Navistar or the Government or the U.S. Government and shall provide the reasonable assistance of Service Provider's employees with knowledge of compliance efforts in connection with any such examination or audit. Service Provider will execute a certificate containing the above representations and warranties as reasonably requested by Navistar throughout the term of this Agreement and any resulting subcontract agreement. Navistar shall have the right to terminate this Agreement immediately upon forming a reasonable belief that Service Provider has defaulted or has otherwise failed in the performance of any of the requirements of this section as set forth above.

**12. INDEMNIFICATION BY SERVICE PROVIDER.** Service Provider agrees to indemnify and hold Navistar harmless from any and all claims or losses arising out of Service Provider's or its agents' use of Navistar's facilities or equipment or arising from the Services provided or the Services to be provided by Service Provider or its agents' under this Contract and any amendments, addendums, exhibits or Purchase Orders attached hereto.

**13. INTELLECTUAL PROPERTY INDEMNIFICATION.** Service Provider shall indemnify, defend and hold Navistar, its employees and representatives harmless from any claim or suit brought against Navistar for infringement of any patent, copyright, or trade secret or for wrongful use of proprietary information of any third party insofar as such claim or suit is based on a claim that the infringement or wrongful use is attributable to Navistar's use of the Services, materials, products, processes, or software manufactured, designed or developed by Service Provider for Navistar and used by Navistar in the manner contemplated under this Contract. This indemnity shall not apply to materials, products, processes, or software in which the

infringement or wrongful use arises solely from Service Provider's compliance with Navistar's written instructions. The foregoing indemnities shall be against any costs and damages, including attorney's fees, awarded against Navistar, as well as Navistar's cost of defending such claims. Navistar shall promptly notify Service Provider of any such claim or suit and shall give Service Provider exclusive control of the defense thereof and all negotiations relating to its settlement. Navistar shall reasonably assist, at Service Provider's expense, in Service Provider's defense of the claim or suit.

- 14. INSURANCE.** Service Provider will purchase and maintain (a) commercial general liability insurance in the amount of at least five million dollars (US \$5,000,000); (b) business automobile liability insurance in the amount of at least five millions dollars (US \$5,000,000) and if Service Provider will drive on Navistar's premises, the minimum combined single limit shall be two million dollars (US \$2,000,000) per occurrence; (c) workers' compensation insurance as required by law; (d) employers liability insurance with a minimum limit of one million dollars (US \$1,000,000) per accident/disease; (e) commercial crime (fidelity) insurance with a minimum of two million dollars (US \$2,000,000) per loss; and (f) professional liability (errors & omissions) insurance with a minimum limit of two million dollars (US \$2,000,000) per claim and provide Navistar with a Certificate of Insurance identifying Navistar as an additional insured. Failure to provide such certificate of insurance shall void this Contract, at Navistar's sole option. Service Provider shall cause insurer or insurance broker to provide thirty (30) days written notice to Navistar prior to cancellation or material changes to the policies. Any such change, modification or cancellation shall not affect Service Provider's obligation to maintain the insurance coverage set forth herein.
- 15. CODE OF CONDUCT.** Service Provider agrees to read and comply with Navistar's Code of Conduct Policy, which is set forth at [www.navistarsupplier.com](http://www.navistarsupplier.com), when conducting business with Navistar. Service Provider agrees not to engage in any activity that could cause Navistar or any of Navistar's employees to violate the Navistar's Code of Conduct Policy.
- 16. APPLICABLE LAWS.** **Unless exempt, Service Provider shall abide by the requirements of 41 CFR §§ 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, sexual orientation, gender identification 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, sexual orientation, gender identification, national origin, protected veteran status or disability.** If applicable, Supplier shall also abide by the requirements 41 CFR § 61-300.10 regarding veterans' employment reports and 29 CFR Part 471, Appendix A to Subpart A regarding posting a notice of employee rights.
- 17. CONFIDENTIAL INFORMATION.** Service Provider agrees not to disclose to any third party, or use, except in connection with the performance of the Services under this Contract, any confidential information relating to Navistar's business, including business and marketing plans, processes, products, equipment, or trade secrets, as well as confidential information resulting from the performance of this Contract. Any information not available to the public shall be considered confidential for the purposes of this Contract; but should any of this information be published or otherwise made available to the public by Navistar or by third parties without breach of this Contract, Service Provider shall be free to use for its own purposes only that information which is actually publicly available.
- 18. OWNERSHIP OF MATERIALS.** All materials, including without limitation, documents, drawings, models, sketches, designs, software, computer tapes and disks, and lists furnished to Service Provider by Navistar shall remain the property of Navistar and shall be returned promptly upon completion of the assigned project or at any time upon written request of Navistar. Service Provider agrees not to make any copies of any such materials without Navistar's permission and to return any copies authorized with the original materials.
- 19. TERMINATION.** Navistar reserves the right to stop any and all work being performed by Service Provider pursuant to a Purchase Order upon five (5) days written notice. Navistar will pay for all work performed by Service Provider through the end of the work day of the day work is stopped. Navistar shall have the right at any time, and for any reason, without any penalty, to terminate, in whole or in part, this Contract or the

Services performed by Service Provider for Navistar, provided Navistar shall provide Service Provider thirty (30) days' prior written notice of such termination, whereupon this Contract shall automatically terminate immediately after the 30th day.

- 20. RIGHTS AND REMEDIES.** The provisions of each paragraph of this Contract are not intended to limit any rights and remedies of Service Provider or Navistar. No modifications of, or additions to, the provisions or conditions of this Contract will become a part of it until accepted in writing by Navistar.
- 21. FORCE MAJEURE.** Neither Navistar nor Service Provider shall be responsible for delays or defaults due to causes beyond their respective reasonable control and without fault or negligence. If Service Provider at any time has reason to believe that Services will not be performed as scheduled, written notice setting forth the fact of the anticipated delay and its cause must be given immediately to Navistar.
- 22. E-Verify.** Service Provider understands and agrees that it shall utilize the federal E-Verify system for all new and existing workers performing work for Navistar's benefit pursuant to this Contract, in accordance with U.S. Citizenship and Immigration Services (USCIS) regulations and the FAR E-Verify clause (FAR 52.222-54). As proof of enrollment, Service Provider shall provide Navistar a copy of its "Maintain Company" page in E-Verify as proof of enrollment in the E-Verify system. Service Provider is solely and exclusively responsible for confirming that Service Provider and its workers are legally authorized to work in the United States. For more information, please see [www.uscis.gov](http://www.uscis.gov).
- 23. BACKGROUND AND DRUG CHECKS.** Service Provider represents and warrants that each of its employees, agents or consultants stationed at Navistar for more than thirty (30) calendar days and performing Services pursuant to this Contract: (a) has taken a 9 Panel Urine Drug Test (the "Drug Test") and (b) has been subjected to and passed a background check including, but not limited to, an Office of Foreign Assets Control (OFAC) Restricted and Denied Parties List screening (the "Background Check") while employed by Service Provider. Prior to any employee performing Services for Service Provider pursuant to this Contract, Service Provider shall furnish a certification (the "Service Provider Certification") to Navistar indicating that employees, agents or consultants of Service Provider performing Services pursuant to this Contract shall have undergone the Drug Test and the Background Check. In the event that Service Provider becomes aware that any of Service Provider's employees no longer meet the requirements of the Drug Test and/or Background Check, Service Provider shall not permit such employees to perform Services for Navistar pursuant to this Contract.
- 24. NAVISTAR PROPERTY.** To the extent that Service Provider receives possession of or holds any Navistar property in connection with providing the Services pursuant to this Contract, Service Provider shall hold such property "on bailment" for Navistar and shall promptly return such property to Navistar upon request.