

**ADDENDUM A – SERVICES
TO
TERMS AND CONDITIONS OF PURCHASE**

A-1. Supplement to Terms and Conditions of Purchase. These additional terms supplement as Addendum A the Allegion Terms and Conditions of Purchase (set forth and available at <http://www.allegion.com/terms>) and are collectively referred to herein as the “Terms.” Each Order issued by the Buyer, or its affiliate or subsidiary that issues an Order, is an offer to the Supplier for the purchase of certain services described in the respective Order (the “Services”) and is governed by these Terms, which are incorporated by reference into every subsequent Order, and Supplier agrees to be bound by such. For avoidance of doubt, the term “Services” as used herein is included in the definition of Deliverables as that term is defined and used in the Allegion Terms and Conditions of Purchase

A-2. Contract. In accordance with Section 2 of the Allegion Terms and Conditions of Purchase, a Contract shall also be deemed formed if the Terms are part of a Master Services Agreement.

A-3. Independent Contractor. In the performance of all Services hereunder, Supplier (a) shall be an independent contractor and as such shall not be entitled to any benefits applicable to employees of Buyer; (b) shall not exercise any authority to act for or on behalf of Buyer; (c) shall comply with all applicable laws and regulations; (d) shall have sole responsibility for the payment of all applicable government taxes including Federal, State and Local income taxes and for all employment and disability insurance, Social Security and other similar taxes.

A-4. Supplier Personnel. Supplier may select its own Supplier Personnel, and these individuals will be and act under the exclusive supervision and control of Supplier, and Supplier will take all actions necessary to ensure that such Supplier Personnel are bound by the Terms. Supplier will ensure that all Supplier Personnel who perform Services comply at all times with the Terms, and will be responsible for any failure of Supplier Personnel to so comply.

- 4.1. Supplier may not use Supplier Personnel who are in the United States pursuant to the L-1 category of visas (or any successor legislation or regulations), in the performance of Services, *unless* specifically pre-approved by Buyer in writing.
- 4.2. As may be requested by Buyer, Supplier will list those service providers upon whom Supplier relies for significant outsourced services, the failure of which would render it impossible or infeasible for Supplier to provide the Deliverables or perform the Services, or to whom any customer/consumer information or any Confidential Information will be transferred.
- 4.3. If requested by Buyer, Supplier will immediately remove any and all non-satisfactory Supplier Personnel, as determined in the sole discretion of Buyer. Supplier will replace any such individual so removed with another or others who are satisfactory to Buyer as soon as possible, but no more than five (5) working days after Buyer's request. Supplier will not charge Buyer a fee to make such replacement, and the replacement will be provided to Buyer at the same or lower rate as the Supplier Personnel being replaced. The period of time required orientating and familiarizing the replacement Supplier Personnel with the Services, will be provided at no charge to Buyer. If Buyer requests that Supplier Personnel be replaced on a project due to unsatisfactory performance or lack of the requisite skills, and Buyer makes such request within ten (10) days after such unsatisfactory Supplier Personnel commenced work for Buyer, Buyer will not be charged for the Services rendered by Supplier Personnel with respect to that project. Supplier will not assign to Buyer any Supplier Personnel whose quality of service Buyer has previously informed Supplier has been unsatisfactory.

A-5. Compliance and Authority. Supplier represents and warrants to Buyer that: (i) the entering into a Contract and carrying out of the Terms will not violate or constitute a breach of any obligation binding upon Supplier or any Supplier Personnel and that Supplier has the right and authority to enter into the Contract; and (ii) Supplier Personnel will comply with all applicable international, federal, state and local laws (and all corresponding regulations/directives) in connection with its performance of the Services.

A-6. Warranty. Supplier represents and warrants that it will provide competent Supplier Personnel with sufficient skill, knowledge, and training to provide the Services, and that such Supplier Personnel will perform such Services in a diligent and professional manner, and the Services will comply with: (i) all performance specifications set forth in the Contract, (ii) industry standards, and (iii) all statutes, acts, ordinances, laws, rules, regulations, and codes. Supplier further warrants that it will strictly comply with the descriptions and representations as to the Services including performance (including service level agreements), deliverables, capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions and requirements set forth in the Contract. Except as may be authorized by the terms of the Contract, Supplier warrants that the performance of the Services will take place solely within the United States. All such warranties provided herein will continue for a period no less than any warranty provided to any Buyer customer benefitting from the Services.

A-7. Intellectual Property Warranty. Supplier represents and warrants to Buyer that: (i) all Services performed by Supplier will be the original work of Supplier (or owned or duly licensed by Supplier for the purposes for which they are delivered), such that ownership may be granted as set forth herein; (ii) Supplier is the lawful owner or licensee of all (a) goods and (b) technology used by it in the performance of the Services and creation of the work product (except that technology provided by Buyer); and (iii) if access to such technology is granted hereby, Supplier has the right to permit Buyer access to or use of such technology. Supplier further warrants to Buyer that: (iv) there is no claim, litigation or proceeding pending or threatened against Supplier

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with respect to the Services or work product, or any component thereof, alleging infringement of any intellectual property rights of any person or entity; (v) there is no pending litigation that could impact Supplier's ability to provide the Services or work product, and (vi) neither the performance of the Services by Supplier nor the furnishing of the work product, will in any way constitute an infringement or other violation of any Intellectual Property rights of a third party, non-disclosure agreement, or other rights of any third party.

A-8. Warranty Pass-Through. In the event that Supplier procures hardware, software or other materials related specifically to its performance of the Services ("Related Goods"), Supplier hereby assigns to Buyer all warranties provided by the manufacturer(s) and/or licensor(s) of such Related Goods; however, if the warranties provided by the respective manufacturers and/or licensors of such Related Goods cannot be so assigned, Supplier will promptly pass through the benefit of such warranties, and will cooperate with Buyer in this respect. No Related Goods disclaimer or limitation of liability will relieve Supplier of its obligations to deliver the Services or any deliverables pursuant to the standards in a Contract.

A-9. Work Made for Hire. In addition to the Intellectual Property Rights set forth in Section 23 and 24 of the Terms and Conditions of Purchase, Supplier confirms, acknowledges, and/or agrees that any copyrightable work, qualifying for consideration as a "work made for hire" under the copyright laws, that is authored, created, derived, or otherwise developed by Supplier, its employees or its agents, either alone or jointly with others, is a "work made for hire" under the copyright laws. To the extent that the work(s) or the copyrights therein do not vest in Buyer, Supplier hereby grants, assigns and transfers to Buyer all right, title and interest in and to the work(s) to the extent that Supplier has had or will have any right, title or interest therein. Buyer shall have the sole and exclusive right throughout the universe in all languages and in perpetuity to use and exploit all or any part of the work(s) and all or any part of any material contained therein, in any format or version, by any means and in any media, whether now known or hereafter developed. Without limiting the foregoing, Supplier hereby waives any and all claims that Supplier may now or hereafter have in any jurisdiction to so-called "moral rights" with respect to the results and proceeds of Supplier's work and services hereunder.

A-10. Services Performed on Premises. Supplier understands that Buyer and its representatives may not be present while Supplier performs the Services at the respective Buyer location ("Premises"). Supplier understands that its performance of the Services may involve risk of injury and loss, both to person and property. Supplier also understands that the risk of injury may include the possibility of permanent disability and/or death. Supplier understands that these Terms are intended to address all of the risks of any kind associated with its performance of the Services while on the Premises, including, particularly, such risks created by actions, inactions, or negligence on the part of Buyer or its directors, officers, employees, agents, volunteers, successors, or assigns, including but not limited to risks created by the following: (a) the use and condition of premises, facilities, and equipment; (b) the lack or inadequacy of policies, rules, or regulations governing the conduct of the Services; (c) Buyer's failure to foresee or protect Supplier from actions, inactions, negligence, recklessness, or intentional or criminal misconduct of persons, other than those affiliated with Buyer; (d) the inadequacy or unavailability of medical facilities or treatment; or (e) the lack or inadequacy of supervision. Supplier assumes all risks, known and unknown, foreseeable and unforeseeable, in any way connected with its performance of the Services on the Premises and accepts responsibility for any liability, injury, loss, or damage in any way connected with its performance of the Services while on the Premises, whether or not caused in whole or in part by the negligence or other misconduct of Buyer or its directors, officers, employees, agents, volunteers, successors, or assigns. Supplier releases Buyer and its directors, officers, employees, agents, volunteers, successors, and assigns from any and all liability for and waives any and all claims for injury, loss, or damage, including attorneys' fees, in any way connected with its performance of the Services while on the Premises (a "Claim"), whether or not caused in whole or in part by the negligence or other misconduct of Buyer or any of the individuals mentioned above. Additionally, Supplier agrees not to sue, claim against, attach the property of, or prosecute Buyer or any of the individuals mentioned above. Supplier agrees that any and all breaches of this provision shall entitle Buyer or any of the individuals mentioned above to recover all expenses, including court costs and attorneys' fees, in defending the Claim.

A-11. Indemnification. The indemnification obligations set forth in Section 31 of the Allegion Terms and Conditions of Purchase shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Supplier or any subcontractor under Workers' or Workmen's Compensation Acts disability benefit acts or other employee benefit acts and Supplier waives with regard to such indemnification obligation any and all Workers' Compensation Act exclusively and/or immunity defenses.