



Health-Ready Components & Systems™ (HRCS™)

A Program of SAE ITC ®

MEMBERSHIP AGREEMENT

This Health-Ready Components and Systems Membership Agreement (the “Agreement”) is made by and between SAE Industry Technologies Consortia®, a Pennsylvania not-for-profit corporation, having a principal place at 400 Commonwealth Drive, Warrendale, PA 15096 (“SAE ITC”) and [Business Entity Name], a _____ (designate type of organization) having an address at _____ (“Member”).

WITNESSETH

WHEREAS, SAE ITC® is organized and operated for the development of industry standards, requirements, documents and guidelines, for research and development, and the development of Programs for certification and conformance with standards, accreditation, and education, and undertakes such Programs and activities in support of its industry consortia and participant groups pursuant to Section 501(c)(6) of the Internal Revenue Code of 1986.

WHEREAS, the Health-Ready Components and Systems™ (“HRCS” or “Program”) has been organized as an industry program of SAE ITC to establish a global community to establish best practices and uniform information sharing methods between OEMs and their supplier base. This will facilitate industry-wide application of Integrated Vehicle Health Management (IVHM) technology to improve asset operational availability, sustainment, and logistical efficiencies. WHEREAS, SAE ITC and the Member are independent entities and desire to engage into a business relationship to support the activities of the HRCS.

NOW, THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound hereby, the parties agree as follows:

1.0 Membership

Member agrees to participate in and provide support to the HRCS. Membership is contingent upon approval by the Program Executive Committee, and payment of applicable fees.

Member agrees to abide by the terms and conditions of this Agreement, the HRCS Charter Agreement (“Charter”), the HRCS Operating Rules (the “Operating Rules”), as may from time to time be amended, and SAE ITC policies and procedures including SAE ITC Antitrust Compliance Guidelines which are incorporated into this Agreement by this reference. In the



event of a conflict between the terms of this Agreement and the Operating Rules, the terms of this Agreement will take precedence.

Member agrees to immediately, but in no event more than 10 business days, notify the Program if Member becomes aware that its eligibility status has changed.

Member acknowledges that membership benefits and roles are based on Membership Level, as provided in the Operating Rules.

2.0 Fees

Member agrees to pay HRCS fees (“Fees”) as and when due and owing. The later of (i) the date on which the Program receives initial annual Fee payment from the Member and (ii) full execution of this Agreement shall be the effective date of the Agreement (“Effective Date”). Member shall pay its Fees for all subsequent years within 60 days after receipt of an invoice. If the Program does not receive the Member’s Fees within 60 days of the due date, Member shall be suspended and shall not be entitled to enjoy any of the rights or privileges of membership until the Program has received Member’s Fees, paid in full.

Member acknowledges and agrees that Fees are determined by SAE ITC with input from the Executive Committee and that the Program, in its sole discretion, may increase or decrease the Fees at any time due to changes in the scope, timing and nature of the Program’s work and operational costs (e.g. inflation); provided however, that any such Fee changes shall not apply retroactively and shall not affect the Member during the remaining period of its then current paid-up term of membership.

Member acknowledges that Fees are based on Membership Level, as provided in the Fees Schedule. In addition to annual fees, project fees may be invoiced to Members to support initiatives and projects of the Program if required. Estimates and subsequent invoices will be provided to the Members on a project by project basis. Database registration fees, if applicable, will be invoiced at the time of listing.

An annual Membership Fee invoice will be issued to each new member. If a member is approved part way through the year, the Membership Fee for that year will be prorated based on the date joined and approved.

3.0 Term and Termination

This Agreement is effective upon execution of the Agreement and receipt of Fees from the Member. The Agreement shall automatically renew at the completion of the initial Membership term, or any subsequent term, for an additional one-year term, unless terminated by either party.

This Agreement shall terminate automatically upon termination of the Program in accordance with the rules defined in the Charter. In addition, Member may terminate this Agreement and



withdraw from the Program at any time upon thirty (30) days written notice to the HRCS Program Manager. Member acknowledges that it may be removed from the Program upon written notice, (a) if Member is no longer in good standing; (b) if Member no longer satisfies all of the criteria for membership; (c) if Member fails to abide by the Operating Rules or this Agreement; (d) if Member fails to pay any outstanding account receivable; (e) if Member fails to comply with the antitrust and intellectual property policies of SAE ITC.

In case of withdrawal or removal, Member acknowledges there will be no restitution or reimbursement of any paid Fees and that it shall not be entitled to repayment of any costs or expenses incurred for the fulfillment of its commitments, obligations or rights in relation to the Agreement.

The termination of this Agreement shall not relieve the HRCS Members from obligations the Members may have to SAE ITC Confidentiality and Intellectual Property policies. Further, the Intellectual Property and Confidentiality provisions of this Agreement will survive the termination of this Agreement.

4.0 Primary Member Contact

Each Member will designate one (1) individual as the “Primary Member Contact,” who shall have the full authority to represent the Member in all matters involving the Program. The Primary Member Contact represents the Member and ensures that the Member’s employees, agents and consultants who participate in the Program will comply with the Agreement and Operating Rules. The Primary Member Contact is responsible for ensuring all participating individuals’ contact information is current. The Primary Member Contact will hold voting rights, if the level of membership grants such rights. The Member shall notify the Program in writing of any changes to such designation.

5.0 Confidentiality and Intellectual Property

All information provided by the parties to this Agreement will be considered confidential information of the supplying party that may be used (other than by the supplying party) for the sole purpose of developing the deliverables identified in the Charter for use by the HRCS and its Members. It may not be disclosed or distributed by the Member or the Program to any third party or used for any other purpose without written permission the supplying parties. All information provided to the Program by the parties to this Agreement and other HRCS Members will be maintained in confidence until three (3) years after the dissolution of the Program.

Any intellectual property, such as copyrighted works or data, provided by the parties to the Agreement will remain the property of the respective member organization. However, the parties acknowledge and agree that the copyrights in and to any new or modified copyrightable material developed as part of the activities contemplated by this Agreement and, in the future,



by the HRCS itself, will be exclusively owned by SAE ITC. All participants of the HRCS agree to license, under at least Fair, Reasonable, and Non-Discriminatory (FRAND) terms, any standards-essential patents or other intellectual property rights owned during or after the Members participation in the Program that are commercially necessary to practice under the documents, standards or specifications created or adopted by the HRCS prior to or during the period of the Members participation in the Program..

6.0 Press Releases, Marketing, and Use of Names/Logos

On behalf of the Program, SAE ITC will issue press releases, publish marketing materials and maintain a public facing website for the purposes of business development and advancing the mission of the Program.

Member agrees to allow SAE ITC to acknowledge Member's participation in the Program and to share the Member's name and logo on Program press releases, advertising, promotional, and sales literature and the Program website; provided, however, that the Member can revoke, in whole or in part the permission to use the name or logo at any time.

Member may use the approved Program mark and/or Program name to promote its participation in the Program.

7.0 Insurance

SAE ITC agrees to maintain reasonable coverages of insurance for itself and the HRCS activities.

8.0 Compliance

The Parties will comply with all applicable laws, regulations, rules, orders, requirements, governmental requests, and reporting requirements, now or hereafter in effect, applicable to the performance of, and/or arising in connection with, this Agreement.

9.0 Force Majeure

No failure or omission by the Parties, in the performance of any obligation of this Agreement, shall be deemed a breach of this Agreement or create any liability if the same shall arise from any cause or causes beyond the control of the Parties, including but not limited to, the following: acts of God; acts or omissions of any Government; any rules, regulations or orders issued by any Governmental authority or by any officer, department, and agency or instrumentality thereof; fire; storm; flood; earthquake; accident; war; rebellion; insurrection; riot; and invasion and provided that such failure or omission resulting from one of the above causes is cured as soon as is practicable after the occurrence of one or more of the above stated causes.



10.0 Assignment

Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned (including by operation of applicable law) by a Member to any third party, without the prior written consent of the other party, which may be granted or withheld at such party's sole discretion. Any purported assignment of this Agreement in violation of this section shall be null and void.

11.0 Rights and Remedies

The remedies afforded to the parties in this Agreement are not intended to be exclusive, and each remedy shall be cumulative and shall be in addition to other remedies available to the parties at law or in equity. This Agreement shall not be construed to confer any rights or remedies upon any person or entity except SAE ITC and the Member. No delay or omission by any party in exercising any rights or remedies under this Agreement or applicable law shall impair such right or remedy or be construed as a waiver of any such right or remedy.

12.0 Representations and Warranties

Each Party to this Agreement represents and warrants to the best of its knowledge that (1) it is free to enter into this Agreement; (2) in so doing, it will not violate any other Agreement to which it is a party; and (3) it has taken all actions necessary to authorize the execution and delivery of this Agreement and the performance of its obligations under this Agreement.

Except as expressly provided herein, no Party to this Agreement makes any other warranty, express or implied, either in fact or by operation of law, by statute or otherwise, relating to (1) any research conducted under this Agreement, (2) any invention conceived and/or reduced to practice under this Agreement, or (3) any other intellectual property developed under this Agreement, and each party to this Agreement specifically disclaims any implied warranty of merchantability or warranty of fitness for a particular purpose.

13.0 Liability of the Parties

With regard to the activities undertaken pursuant to this Agreement, no party shall make any claim against the other, employees of the other, the other's contractors or subcontractors, for any injury to or death of its own employees or employees of its Members, contractors, or subcontractors, or for damage to or loss of its own property or that of its Members, contractors, or subcontractors, whether such injury, death, damage or loss arises through negligence or otherwise, except in the case of fraud, willful misconduct or gross negligence as defined by a court of competent jurisdiction.

The parties shall not be liable to each other for consequential, punitive, special, and incidental damages or other indirect damages, whether arising in contract (including warranty), tort (whether or not arising from the negligence of a party) or otherwise, except to the extent such



damages are caused by a party's fraud, willful misconduct or gross negligence as defined by a court of competent jurisdiction.

Notwithstanding the other provisions of this article, no waiver of liability shall be applicable to:

- Disagreements, claims or disputes between Members regarding a breach, noncompliance, or nonpayment of funds;
- Disagreements, claims or disputes for damage caused by willful misconduct or gross negligence; and
- Intellectual property claims.

14.0 Notices

Any notice required or permitted to be given under this Agreement shall be given in writing and shall be hand delivered, sent by electronic mail or facsimile, sent by certified or registered mail or sent by overnight courier service to the Member at such address or email address as the Member may have specified in writing to SAE ITC and the Program.

Notices shall be deemed effective (i) if delivered personally, upon receipt, (ii) if delivered by certified or registered mail, three business days after deposit with the post office, (iii) if delivered by overnight courier, one business day after deposit with a recognized private carrier; and (iv) if delivered by electronic mail or facsimile transmission, the business day such electronic mail message or facsimile transmission is sent during normal business hours of the recipient, then on the next business day.

All Notices to be submitted to HRCS shall be delivered to:

Mr. Peter H. Grau
HRCS Program Manager
400 Commonwealth Drive
Warrendale, PA 15096
Phone: 240-334-2580
Email: peter.grau@sae-itc.org

15.0 Governing Law; Interpretation

This Agreement is governed by and shall be construed in accordance with the laws of the Commonwealth of Pennsylvania. Any dispute concerning questions of fact or law arising from or in connection with this Agreement are governed by Pennsylvania law. This Agreement shall not be construed as creating any rights enforceable by any person not a party to this Agreement. The headings of the Sections contained in this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. This Agreement does not create any agency, partnership, joint venture,



employment, or franchise relationship. Neither party has the right to create any obligation on behalf of the other. All parties hereby agree and acknowledge that the relationship hereunder is non-exclusive.

All disputes shall be distributed in writing to the HRCS Program Manager of SAE ITC. Any dispute which cannot be resolved through escalation, may be resolved by arbitration, to be paid for by the Member seeking arbitration.

16.0 Severability

If any provision in this Agreement is found to be invalid, unlawful or unenforceable to any extent, the parties shall endeavor in good faith to amend this Agreement to preserve its intention. If the parties fail to agree on such an amendment, such invalid provision will be enforced to the maximum extent permitted by law or, if not enforceable, will be severed from the remaining terms, conditions and provisions, which will remain in full force and effect.

17.0 Right to Develop Independently

Nothing in this Agreement will impair any party's right to independently acquire, license, develop or have developed, utilize or otherwise exploit information and technology with the same or similar uses or functions as the information and technology that is the subject of the Program's activities.

18.0 Disclosure

Except as specifically authorized by the Program, Members agree that terms of this Agreement shall be maintained in confidence by them, except that any Member may disclose the terms hereof to the extent required by law (including without limitation pursuant to the requirements of U.S. securities laws).

19.0 Agreement Administration

No amendment of any of the provisions of this Agreement shall be binding unless made in writing and signed by the Member and SAE ITC; provided, however, that the Program may amend the Operating Rules; and provided further, however, that SAE ITC may make reasonable amendments to this Agreement to comply with applicable law or regulation, upon notice to the Member, in which case the Member shall have 30 days thereafter to either give notice to SAE ITC of its option to terminate the Agreement, or if no such notice is given within such timeframe, then such right of terminations shall be waived.

20.0 Entire Agreement

The provisions of this Agreement and all addenda, exhibits and schedules attached hereto, including all documents incorporated herein by reference, constitute the entire agreement between the parties and supersede all prior agreements and understandings relating to the subject matter thereof.



Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

Member

SAE Industry Technologies Consortia

By:

By:

Signature

Signature

Business Entity: _____

Name: Peter H. Grau

Name:

Title: Program Manager

Date: _____

Title:

Date:

Approved Membership Level

Membership Fees

- Associate Member
- Member
- Strategic Partner

Annual: _____

Primary Member Contact Name: _____

Primary Member Contact Title: _____

Primary Member Contact Email: _____

Primary Member Contact Phone: _____

Primary Member Contact Mailing Address: _____
