



## **MSP SUB SUPPLIER ASSOCIATE AGREEMENT**

This **SUPPLIER ASSOCIATE AGREEMENT** ("Agreement") is entered into by and between PeopleShare, Inc. ("PeopleShare"), a Pennsylvania corporation with a business address at 1566 Medical Drive, Suite 102 Pottstown PA 19464, and Corporate Management Group, Inc. a Colorado corporation with its principal offices location at 12000 N. Washington Street, Suite 290, Thornton, CO 80241("Supplier Associate") in consideration of the mutual covenants contained herein, agree to the terms and conditions set forth in this Provider Agreement (the "Agreement").

**WHEREAS**, PeopleShare operates a staffing services business and provides Managed Service Provider programs to various clients;

**WHEREAS**, PeopleShare has entered into a contract with Storeroom Solutions Inc. ("Storeroom Solutions") to provide MSP and staffing services to in multiple locations;

**WHEREAS**, Supplier Associate desires to supply employees directly to Storeroom Solutions as directed by PeopleShare;

**WHEREAS**, PeopleShare has agreed to engage Supplier Associate to provide employees to Storeroom Solutions pursuant to the terms and conditions of this Agreement;

**NOW THEREFORE**, in consideration of the mutual promises and covenants set forth herein, the parties, intending to be legally bound, hereto agree as follows:

1. **Placement Services.**

1.1 Upon the last to occur of: (i) approval by Storeroom Solutions and (ii) execution by PeopleShare and Supplier Associate (the "Effective Date"), PeopleShare agrees to engage Supplier Associate as a non-exclusive provider of temporary employees for placement at Storeroom Solutions ("Placed Employees"), and Supplier Associate agrees to provide Placed Employees at the request of PeopleShare in the locations identified on the attached Schedule A – Placement Services Terms.

1.2 Supplier Associate agrees to provide Placed Employees on an "as needed" basis. Within ten (10) days of its receipt of a Placement Request (defined below) from PeopleShare, Supplier Associate shall transmit to PeopleShare the profiles of candidates that meet the requirements of both the Placement Request and the Minimum Candidate Requirements identified on Schedule A. Placement Request shall mean a notice from PeopleShare to Supplier Associate that provides information necessary to fill a particular position at Storeroom Solutions, and which may be issued, amended or retracted at any time, all at the sole discretion of

PeopleShare. Supplier Associate will only refer candidates that meet the minimum requirements for placement as set forth in the Placement Request.

1.3 Any additional interviews, tests or additional screenings of candidates, along with final acceptance or rejection of a candidate, shall be at PeopleShare's sole discretion and at Supplier Associate's cost.

1.4 Upon acceptance of a candidate PeopleShare shall transmit a Notice of Acceptance to Supplier Associate that includes: (i) the terms and conditions of the placement; (ii) the deadline for acceptance by the candidate; and (iii) the start date at Storeroom Solutions. Acceptance of each candidate shall be conditioned upon the candidate's execution of Placed Employee's Covenants identified in Schedule A prior to the acceptance deadline in the Notice of Acceptance.

1.5 Each engagement for the services of a Placed Employee shall run from the start date of the assignment at Storeroom Solutions until either: (i) the date terminated by Storeroom Solutions or Supplier Associate, for any reason or no reason; or (ii) the date the Placed Employee declines to provide services in connection with the placement. This obligation will not affect the right of Supplier Associate to hire, assign, reassign, discipline, or terminate its Placed Employees.

## 2. Compliance.

2.1 Supplier Associate shall comply with the provisions of the Immigration Reform and Control Act of 1986 with respect to the hiring of Agency Employees.

2.2 Supplier Associate agrees to comply with all federal, state and local laws, regulations and orders including but not limited to: compliance with minimum wage and overtime laws, the Fair Labor Standards Act; Social Security Act, Equal Employment Opportunity laws, the American with Disabilities Act, the Family Medical Leave Act, and the Occupational Safety and Health Act.

2.3 Supplier Associate agrees to comply with, and this Agreement incorporates, the Equal Opportunity clauses contained in the Regulations relating to Executive Order 11246 (41 CFR 60-1.4 (a) (1) - (7). The Rehabilitation Act of 1973 (41 CFR 60 - 741.4), and the Vietnam era Veterans Readjustment Act of 1974 (41 CFR 60 - 250.4).

2.4 Supplier Associate shall make legally required employment law disclosures to its Employees, and perform human resources administration with respect to Placed Employees (e.g., performance appraisals and other non-operational matters).

2.5 Supplier Associate shall keep records regarding all candidates, Placed Employees, wages, taxes, insurance, benefits, all items required under Schedule A, and any other documents reasonably generated in the performance of this Agreement: (i) for a period of five (5) years following the end of any Placed Employee's assignment at Storeroom Solutions; and (ii) for a period of five (5) years from the termination of this Agreement in all other respects.

2.6 In order to confirm Supplier Associate's compliance with the terms of this Agreement, PeopleShare and its designated agents shall have the right at all reasonable times to inspect, examine and copy at their own expense, the books, records, accounts, and tax returns of Supplier Associate. PeopleShare shall also have the right, at any time, to have an independent audit made of the books of Supplier Associate.

3. Payments.

3.1 Placed Employees shall, for all purposes, be employees of Supplier Associate.

3.2 The payment and withholding of wages, benefits, insurance, taxes and all other fees and expenses associated with the Placed Employee's employment by Supplier Associate are the sole responsibility of Supplier Associate. Supplier Associate acknowledges that such payments will need to be made prior to Supplier Associate receiving payment from PeopleShare.

3.3 Supplier Associate shall require its Placed Employees to submit time cards for approval by each of their Storeroom Solutions supervisors in the form required by PeopleShare from time to time. Time cards will then be submitted by Supplier Associate to PeopleShare as required by PeopleShare from time to time. Reimbursement for Placed Employee expenses must comply with Storeroom Solutions' then current expense policies.

3.4 The parties agree to use their best efforts to obtain the rates identified on Schedule A for charges to Storeroom Solutions for Placed Employee services. Final rates charged for each Placed Employee shall be agreed to by Storeroom Solutions, PeopleShare, Supplier Associate and the Placed Employee (the "Placed Employee Rate").

3.5 Supplier Associate acknowledges that it will invoice and receive payment to/from PeopleShare for Placed Employees related to this MSP through the VMS tool. PeopleShare, as the MSP, acknowledges that will invoice and receive payment to/from Storeroom Solutions pursuant to PeopleShare's current agreement with Storeroom Solutions as it relates to billing and payment.

3.6 The parties acknowledge that Placed Employees may, at their sole discretion, accept employment directly with Storeroom Solutions. Fees paid by Storeroom Solutions to PeopleShare under such circumstances shall be negotiated and agreed to solely by Storeroom Solutions and PeopleShare ("Conversion Fees"). PeopleShare agrees to pay Supplier Associate the Conversion Fee minus the Administrative Cost within ten (10) days of PeopleShare's actual receipt of payment from Storeroom Solutions.

4. Insurance Requirements.

4.1 Supplier Associate agrees to maintain and at minimum keep in force, at its own expense, the following insurance coverage and limits throughout the term of this Agreement and during any time that a Placed Employee is providing services pursuant to the terms of this Agreement:

4.1.1 Workers' Compensation Insurance with statutory limits as required by the laws and regulations applicable to Placed Employees who are engaged in the performance of this

Agreement. If no statutory requirements are applicable then in an amount as required by PeopleShare at its sole and absolute discretion. Associate Supplier Workers' Compensation Insurance will have statutory limits and its Employers Liability Insurance will have minimum limits of at least \$500,000 for each accident or disease

4.1.2 Employers' Liability Insurance with a limit of \$1,000,000 per occurrence and Umbrella Coverage will have limits of at least \$10,000,000 per occurrence and shall follow the forms of the underlying insurance policies.

4.1.3 Commercial General Liability Insurance covering claims for bodily injury, death, and property damage, including Premises and Operations, Products and Completed Operations, Independent Contractors, Personal Injury, Blanket Contractual and broad form Property Damage liability, with a combined single limit of \$2,000,000 per occurrence and \$4,000,000 in the aggregate.

4.1.4 Comprehensive Auto Liability Insurance covering all owned, non-owned, hired and other vehicles with a combined single limit of \$1,000,000 per occurrence.

4.2 The policies shall contain a provision that same shall not be canceled nor coverage or limits modified without first giving thirty (30) days' written notice to PeopleShare and shall be written by insurance companies reasonably satisfactory to PeopleShare. Any such change, modification or cancellation shall not affect Supplier Associate's obligation to maintain the insurance coverage set forth above. Supplier Associate shall be responsible for payment of any and all deductibles from insured claims under their policies. The coverage afforded under the Commercial General Liability policy obtained by Supplier Associate pursuant to this section shall be primary coverage in all instances regardless of whether or not PeopleShare has similar coverage.

4.3 Supplier Associate shall include an alternate employers' endorsement on the workers' compensation policy. PeopleShare, Storeroom Solutions and each of their respective officers, directors, shareholders, employees and agents shall be named as additional insured's on Supplier Associate's Commercial General Liability, Commercial Auto Liability and Umbrella Liability Insurance policies. Supplier Associate shall not self-insure any of the insurance coverage required by this Agreement without the prior written consent of the PeopleShare. The minimum limits of coverage required by this Agreement may be satisfied by a combination of primary and excess or umbrella insurance policies.

4.4 Upon execution of this Agreement, Supplier Associate shall provide PeopleShare with a certificate of insurance in a form acceptable to PeopleShare, evidencing that coverage's required above and providing PeopleShare with at least thirty (30) days' prior written notice of cancellation or material change in coverage. All such certificates will delete any "endeavor to" and "but failure to notify" provisions from the certificate's cancellation notice language and evidence waiver by the insurers of any subrogation rights with respect to PeopleShare and Storeroom Solutions , except to the extent such waivers are prohibited by law.

4.5 All Supplier Associate insurance will be primary with no right of contribution by PeopleShare or Storeroom Solutions or their respective insurers. Supplier Associate will be solely and fully responsible for any deductibles or self-insured retentions under any required

coverage, and will declare any deductibles or self-insured retentions that are in excess of \$500,000. Supplier Associate will remain liable for any insurance obligation not satisfied; however, this requirement will in no way restrict or reduce any indemnification obligations contained elsewhere in this Agreement

5. **Indemnification.** Supplier Associate agrees to defend and indemnify PeopleShare and Storeroom Solutions and each of their respective shareholders, officers, directors, agents and employees (“Indemnitees”), and to hold each of them harmless from any and all liability, loss, damages, claims or causes of action, including reasonable legal fees and expenses that may be incurred by Indemnitees, arising out of or related in any way to, Supplier Associate’s breach of this Agreement and operation of its business, and the acts or omissions of any Placed Employee or candidate, except for the intentional acts of Indemnitees. Indemnitees shall provide Supplier Associate with reasonable written notice of any claim for which indemnification is sought and cooperate fully with and allow Supplier Associate to control the defense and settlement of such claim. Supplier Associate may not settle any such claim without Indemnitees’ prior written consent, which consent shall not be unreasonably withheld. Indemnitees shall have the right, at each of their own expense, to participate in the defense of any such claim.

6. **Representations and Warranties of Supplier Associate.** Supplier Associate represents and warrants to PeopleShare that as of the date of this Agreement, and during the term hereof:

6.1 Supplier Associate is an entity duly organized, validly existing and in good standing under the laws of the state in which it was formed, and has all necessary power and authority to own, lease and operate its properties and other assets and to carry on its business as it is now being conducted. Supplier Associate is duly qualified to do business as a foreign entity and is in good standing in every jurisdiction where the ownership of its properties and other assets or the conduct of its business requires such qualification. No proceedings are pending to limit or impair any of the company powers, rights or privileges of Supplier Associate.

6.2 Supplier Associate is in compliance with all federal, state and local laws and regulations regarding the activities contemplated by this Agreement, including, but not limited to, any registrations as a temporary staffing or employee placement business, as required by the states in which it operates.

6.3 Supplier Associate has duly filed all federal, state, local and other tax returns that are required to be filed, and has paid all taxes and assessments which have become due pursuant to such returns or pursuant to any assessment received by Supplier Associate. All taxes and other assessments and levies which Supplier Associate is required by law to withhold or to collect have been duly withheld and collected and have been paid over to the proper governmental authorities or are properly held by Supplier Associate for such payment.

7. **Term and Termination.**

7.1 This Agreement shall be for an initial term of one (1) year from the Effective Date (the “Initial Term”), and shall automatically renew for consecutive one (1) year terms thereafter (each a “Renewal Term”), unless earlier terminated by either party for any reason or no reason upon ten (10) days prior written notice to the other party. Peopleshare shall maintain the right to

conduct a quarterly review of all Associate Supplier services provided under this Managed Services Program.

7.2 Upon termination of this Agreement each Placed Employee will continue the assignment through the period of time referenced on the current work order and PeopleShare shall pay Supplier Associate for such services as required under this Agreement.

8. Covenant Not to Compete / Solicit. Supplier Associate covenants and agrees that except as otherwise approved in writing by PeopleShare, during the term of this Agreement and for a continuous uninterrupted period of two (2) years commencing upon the date of the termination or expiration of this Agreement, it shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity own, maintain, operate, engage in, be employed by, be a consultant to, loan money to, provide any assistance to, or have any interest in (as owner or otherwise) any business that offers products or services related to the temporary or temporary to permanent staffing services to Storeroom Solutions or any entity related by common ownership to Storeroom Solutions. Supplier Associate's sole contact with Storeroom Solutions shall be through PeopleShare. Notwithstanding the foregoing, if Supplier Associate has provided staffing services to Storeroom Solutions prior to the date of this Agreement, then Supplier Associate shall be bound by the terms of this paragraph 8 during the term of the Agreement and not for the two (2) years following termination or expiration of the Agreement.

9. Confidential Information.

9.1 All manuals, records, files, documents, client and client lists, client and client data, prices, candidate lists, candidate data, databases, methods of operation, inventions, data, business techniques, know-how, software, experimental or developmental work, plans, policies, names and addresses of suppliers or representatives, investigations or other matters of any kind or description relating to the services, suppliers, clients, sales, trade secrets and the like relating to PeopleShare and/or Storeroom Solutions's business, and the terms of this Agreement, but not known to the general public (the "Confidential Information") shall remain the property of PeopleShare and Storeroom Solutions. During the term of this Agreement, except in performance of services for PeopleShare, and at any time after the termination or expiration of this Agreement, Supplier Associate agrees that it shall not disclose to any third party or use for the benefit of any other person or entity any of the Confidential Information.

9.2 All Sub Supplier Vendors shall be required to utilize the VMS Technology system, implemented by PeopleShare Inc. This VMS Technology, ManageRight, shall be utilized for all MSP operations, including but not limited to, data input, order placement, order fulfillment, timesheet input/approval, invoicing, invoice approval, employee data, etc. (Sub-Vendor agreement attached for signature with Manage Right)

9.3 All Sub Supplier Vendors shall be required to utilize the Background Verification Process, implemented by PeopleShare Inc. This process is currently managed through First Advantage. There is a one-time implementation fee for each sub supplier in the amount of \$50.00. This fee shall be for a site review, login, credentialing, and data access. (Sub-Vendor agreement attached for signature with First Advantage).

9.4 In the event of the termination or expiration of this Agreement, or upon the reasonable request of PeopleShare, Supplier Associate will promptly deliver to PeopleShare all documents, data, records and other information or tangible property so requested and which Supplier Associate may possess.

9.5 Notwithstanding the foregoing, Supplier Associate shall have the right to disclose Confidential Information in response to a legally issued subpoena to do so or as otherwise required by law; provided, however, that Supplier Associate shall notify PeopleShare at least ten (10) days prior to making any such disclosure.

9.6 The provisions of this Section 9 shall survive the termination or expiration of this Agreement for a period of two (2) years.

## 10. Relationship of Parties / Trademarks.

10.1 The parties to this Agreement are independent contractors, and nothing in this Agreement in any way creates a relationship of principal and agent, joint venturers, partners, or employment, as between PeopleShare and Supplier Associate. Neither PeopleShare nor any of its employees, nor Supplier Associate nor any of its employees or Placed Employees, shall act or attempt to act or represent itself or themselves directly or by implication as an agent of each other. Each of the parties shall have no authority hereunder to enter into any contract of any kind, including, but not limited to, sale or employment on behalf of each other, except pursuant to express written authorization of each of the parties.

10.2 All recruiting activities of prospective employees by Supplier Associate will specify that employees will be employees of Supplier Associate. Supplier Associate will not use Storeroom Solutions or PeopleShare's trademarks, service marks, trade names, logos or other indicia of origin in any manner whatsoever without obtaining the prior written consent of Storeroom Solutions or PeopleShare.

## 11. General.

11.1 Dispute Resolution. Except as otherwise provided herein, all disputes or claims relating to this Agreement, the rights and obligations of the parties hereto, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, shall be settled solely and exclusively by final and binding arbitration at the office of the American Arbitration Association located in Philadelphia, Pennsylvania and pursuant to its then applicable Arbitration Rules for Commercial Disputes. The following shall supplement and, in the event of a conflict, shall govern such arbitration. The parties shall select one arbitrator from a list provided by the American Arbitration Association. The American Arbitration Association shall only list available attorneys with at least ten (10) years of experience in the practice of commercial law. In selecting the arbitrator from the list provided by the American Arbitration Association, each party shall make the selection by the striking method. Each party shall each bear all of its own costs of arbitration; provided, however, the fees of the arbitrator shall be divided equally between them. Nothing herein contained shall bar PeopleShare's right to obtain injunctive relief against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

11.2 Governing Law. This Agreement shall be subject to and governed in all respects by the statutes and laws of the Commonwealth of Pennsylvania without regard to the conflicts of laws principles thereof. For all actions not subject to arbitration the Court of Common Pleas of Montgomery County, Pennsylvania and the United States District Court for the Eastern District of Pennsylvania shall have exclusive jurisdiction and venue, and each party hereby irrevocably consents to such exclusive and personal jurisdiction and venue.

11.3 Entire Agreement. This Agreement, including any schedules attached hereto, constitutes the entire Agreement and understanding between the parties and integrates all prior discussions between them related to its subject matter. No modification of any of the terms of this Agreement shall be valid unless in writing and signed by an authorized representative of each party.

11.4 Assignment. Supplier Associate may not assign any of its rights or delegate any of its duties under this Agreement, or otherwise transfer this Agreement (by merger, operation of law or otherwise) without the prior written consent of PeopleShare. Any attempted assignment, delegation or transfer in derogation hereof shall be null and void.

11.5 Notices. All notices required or permitted hereunder shall be given in writing addressed to the respective parties as set forth above and shall either be (a) personally delivered or (b) transmitted by nationally recognized private express courier, and shall be deemed to have been given on the date of receipt if delivered personally, or two (2) days after deposit with such express courier. Either party may change its address for purposes hereof by written notice to the other in accordance with the provisions of this Subsection.

11.6 Waiver. Any waiver, either expressed or implied, by either party of any default by the other in the observance and performance of any of the conditions, covenants of duties set forth herein shall not constitute or be construed as a waiver of any subsequent or other default.

11.7 Headings. The headings to the Sections and Subsections of this Agreement are included merely for convenience of reference and shall not affect the meaning of the language included therein.

11.8 Severability. Except as otherwise set forth in this Agreement, the provisions of this Agreement are severable, and if any one or more such provisions shall be determined to be invalid, illegal or unenforceable, in whole or in part, the validity, legality and enforceability of any of the remaining provisions or portions thereof shall not in any way be affected thereby and shall nevertheless be binding between the parties hereto. Any such invalid, illegal or unenforceable provision or portion thereof shall be changed and interpreted so as to best accomplish the objectives of such provision or portion thereof within the limits of applicable law.

11.9 Attorney's Fees. In the event of any action, suit, or proceeding brought by either party to enforce the terms of this Agreement, the prevailing party shall be entitled to receive its costs, expert witness fees, and reasonable attorney's fees and expenses, including costs and fees on appeal.

[THE NEXT PAGE IS THE SIGNATURE PAGE]



**SCHEDULE A  
PLACEMENT SERVICES TERMS**

**1. CUSTOMER, LOCATION AND DESCRIPTION.** In accordance with the terms of the Agreement entered into on \_\_\_\_\_ 2013, Supplier Associate will, at PeopleShare's request, assign its employees to perform staffing services as follows:

**a. Customer.** The customer to be serviced is **Storeroom Solutions, Inc.**

**b. Location.** The Customer location(s) at which Supplier Associate employees will be assigned are:

**Locations serviced shall include, but are not limited to locations with the United States, its Territories, Canada, Mexico, and International sites.**

\*\*\* The Customer locations may be amended from time to time as mutually agreed by the parties.

**2. CONVERSION OF SUPPLIER ASSOCIATE EMPLOYEES.** Supplier Associate acknowledges and agrees that from time to time, Customer may determine to hire personnel that have been placed.

Compensation for conversion includes base gross salary, gross compensation for services, fees, wages, guaranteed and/or anticipated bonus and commission earnings, allowances, inducement payments, incentive bonuses and all other payments to be made to the Assigned Employee for the first year of employment.

Hours Worked on Assignment	Prorated Conversion Fee
0 - 150	15%
151 - 300	10%
301 - 525	5%
>525	No Separation Fee

**2. MINIMUM CANDIDATE REQUIREMENTS:**

The following candidate requirements and background checks are mandated by the service agreement to Storeroom Solutions Inc. The costs of these additional services are to be paid and incurred by the Supplier Associate.

- A. Three County Criminal Background Check (through First Advantage)
- B. Social Security Number Verification (through First Advantage)
- C. Educational Verification of highest level of education (through First Advantage)
- D. Acceptable 10-Panel Drug Screening Test (through First Advantage)
- E. National Offender Trace (through Search America)
- F. Completed W-4 Form
- G. Completed I-9 Form with valid, approved identification
- H. Reference Check; verify three (3) references
- I. E-Verify as required for Federal Contracts

**4. Placed Employee's Covenants:**

- A. Confidentiality Agreement
- B. Employer Acknowledgment – Supplier Associate as Employer / Benefits Provider
- C. Employee Waiver- It is agreed that Assigned Employees will not be entitled to holidays, vacations, disability, insurance, pensions or retirement plans, or any other benefits offered or provided by Client to its staff employees.
- D. Work For Hire Agreement
- E. Safety Manual Receipt- All contract and temporary employees will be issued a safety manual.

**5. Placed Employee Markups:**

The Set Markup percentage for services rendered under this agreement is for a flat fee of Forty Percent **(40%)**.

All applicable taxes will be charged on any applicable fee accordingly.

Approved by PeopleShare Inc. on \_\_\_\_\_.

Approved by Storeroom Solutions on \_\_\_\_\_.