

Engagement Terms & Conditions

1. **Sole Terms.** All services provided by the Company to Customer are subject solely to the terms contained herein and any addenda agreed to by the parties in writing and attached hereto and the then-current rates and Schedule of Ancillary Charges (Schedule). No manual or markup terms and/or conditions on Customer's purchase order or any other instrument, agreement or understanding shall be binding unless mutually agreed to by both parties in writing. Verbal discussions are invalid unless committed to writing as an amendment or addendum to this agreement within 5 business days of said discussions.
2. **Statement of Work.** Parties will commit the details of the work to be performed into a Statement of Work or Description of Services to be Performed statement and review such as needed to ensure that there is a full understanding of the assignment and task(s). A period of performance shall also be included. Any deviations from the original Statement of Work after the signed agreement and acceptance of the Engagement will be a "change in scope" subject to: 1) re-negotiation for the Schedule as required and a modification or addendum to the existing agreement or detailing minor revisions of the work or 2) the issuance of a separate Ancillary Services Letter of Engagement detailing the new work
3. **Ownership.** Any design, system, drawings, reprints, specifications or technical information or data (individually or together the "Work Product" prepared by Customer and delivered to Company in performance shall remain the property of Customer. Seller agrees that it will maintain the confidentiality of the Work Product and not disclose the Customer's identity to a third party without the prior written approval of Customer. Any items ("Equipment/Data") provided to the other party remains the sole property of the providing party. Parties will not file any lien, nor allow to be filed any lien, against any such Equipment/Data. Parties will keep all Equipment/Data in good working order, normal wear and tear excepted (in the case of equipment) and confidential and secure (in the case of data). For any Equipment/Data which are moved, damaged, stolen or lost while at other party's care and/or location, the other party will promptly notify the providing party of such an event and shall pay a replacement charge pursuant to the Schedule (in the case of equipment) or make a diligent and reasonable attempt to recover data (in the case of data).
4. **Services Fee.** Customer will pay a "Services Fee" or "Fixed Price" to the Company as set forth on the cover page and/or applicable Statement of Work. Notwithstanding anything to the contrary, Customer shall pay the Minimum Charge if Customer declines or cancels the service after authorized work has begun.
5. **Payment Terms.** Customer agrees to pay the specified (typically 50) percent of the Services Fee prior to the commencement of any tasking. This amount covers preparation, planning, and "good faith" commitment costs for services being provided. The remaining balance of the Services Fee or other amounts are due immediately upon completion of the Services and in any event, no later than five (5) business days thereafter. Any payments not received by the Company when due will be subject to an interest charge on the unpaid balance of 1.5% per month (or the maximum amount allowed by law). All payments must be in US dollars. The amount of any and all applicable taxes and interest shall be added to the price and paid by Customer as applicable. (see item 15 for alternate Fixed Price Task Payment and Schedule option.)
6. **Ancillary Charges.** Customer agrees to pay additional ancillary charges per the Schedule for services performed by Company. The Schedule is incorporated by reference as if fully set forth herein and is subject to change from time to time based on the Company's discretion.
7. **Term of the Agreement.** This Agreement shall remain in force until terminated by either Party upon thirty (30) days written notice. Requests for additional services may be made under this Agreement by the Parties executing a new or revised Statement of Work setting out the fees for the services and the particulars of the services to be performed and the period of performance. Unless otherwise specified in the Statement of Work, the services shall be provided in accordance with the terms and conditions set out in this Agreement.
8. **Excused Delays.** In the event either party is prevented, hindered or delayed from the performance of any act required hereunder by acts of God, legal process, failure of power or any other similar reason not directly the fault of such party, or by reason of the other party or its agents, *written notice should be provided to the other party within a reasonable timeframe* and then performance of such act shall be excused for the period of delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay or other agreed upon term.
9. **Limitation of Liability.** The Company is not liable for any loss or damage to or for the repair, replacement or restoration of any personal or other property of Customer utilized at the Company facility. In NO EVENT WILL THE COMPANY BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, LOSS OF REVENUE, LOSS OF PROFIT, OR LOSS OF USE EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES OR POTENTIAL DAMAGES. To the extent permitted by applicable law, these exclusions and limitations will apply regardless of whether liability arises from breach of contract, warranty, tort (including but not limited to negligence), by operation of law, or otherwise.
10. **Setoff.** Customer will not offset billed amounts or any portion thereof against sums that are due or may become due from the Company to Customer, its parent, affiliates, subsidiaries or other divisions or units.
11. **Compliance with Law.** Customer shall comply with all applicable laws including national and international copyrights and import/export requirements during the term of this agreement.
12. **Choice of Law.** This Agreement shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Virginia, without giving effect to its principles of conflicts of law.
13. **Indemnification, Attorney Fees & Collection Costs.** Customer shall indemnify the Company its parents, subsidiaries, affiliates, successors and assigns, and each of their respective shareholders, members, officers, and directors, from all losses, liabilities, damages, claims, penalties, fees, expenses, judgments and costs (including reasonable attorney's fees and costs) (collectively, "Damages"), resulting from Customer's actual or threatened breach of this Agreement (including, without limitation, any Damages relating to the Equipment/Data). Each party agrees to defend, indemnify, and hold harmless the other party and its customers from and against any claims, damages, losses, costs and expenses, including attorney's fees, arising out of any action by a third party that is based upon a claim that the goods or services delivered infringe or otherwise violate the intellectual property rights of any person or entity. In addition to all other legal and equitable remedies, in the event it becomes necessary for the Company to enforce the terms of this Agreement, including but not limited to any action to collect sums due hereunder, the Company shall be entitled to an award of its reasonable attorney's fees, litigation expenses and costs of collection. The Customer shall pay any and all costs associated with the collection of past due amounts including interest, certified mail costs and collection agency fees.
14. **Miscellaneous.** This Agreement, and any addenda attached hereto and agreed to by the parties in writing and the Schedule constitute the entire agreement between the parties, and supersede any and all prior agreements and arrangements, whether oral or written, between the parties. No modification of this Agreement shall be binding unless in Writing, attached hereto, and signed by both parties. Any dispute or matter arising in connection with or relating to this Agreement shall be resolved at the lowest level of management as possible. Parties may further agree to nonbinding arbitration before the American Arbitration Association (AAA). The arbitration shall be conducted pursuant to the applicable state or federal arbitration law; however, in the event, such dispute(s) persist after good faith negotiation, then parties may sue in a federal court of law. Parties shall make reasonable efforts to maintain confidentiality of data and will notify the other party in writing should any breach in confidential data occurs or is discovered. The delay or failure of either party to insist upon the performance of any provision of this Agreement, or to exercise any right or privilege granted to that party under this Agreement, will not be construed as waiving that provision or any other provision and the provision will continue in full force and effect. If any provision is found to be illegal, invalid, or otherwise unenforceable by any judicial or administrative body, the other provisions will not be affected and will remain in full force and effect. Provisions herein which by their very nature are intended to survive termination or cancellation of this Agreement will survive such termination or cancellation. Any notices to be given by one party to the other will be considered properly given if deposited in the United States Mail, postage prepaid, "Certified Mail, Return Receipt Requested," sent to the Customer at its business office as identified in this agreement.
15. **Alternate Fixed Price Task Payment and Schedule.** A progress and/or milestone payment schedule may be applied to a large volume or extended period fixed price tasking. In such case, the following Progress Payment terms shall apply:

Payment #	Payment Date	Payment Amount

COMMERCIAL, SUBCONTRACTOR & GOVERNMENT TERMS AND CONDITIONS WHERE CAF ENTERPRISES USA CO IS "SELLER"

- A. CONFIDENTIAL INFORMATION.** For the purposes of this Agreement, "Confidential Information" shall mean any information relating to or disclosed during the term of the Agreement, which is or should be reasonably understood to be confidential or proprietary to Buyer, its affiliates, and their licensors and business partners. The provisions of this paragraph shall not apply to Confidential Information that: (i) was in Seller's possession, without any obligation of confidentiality with respect thereto, before receipt from Buyer; (ii) is or becomes a matter of public knowledge through no fault of Seller; (iii) is rightfully received by Seller from a third party without a duty of confidentiality; (iv) is independently developed by Seller; (v) is disclosed under operation of law, provided that the Seller will use reasonable efforts to provide Buyer with prompt written notice of any such requirement in order to enable Buyer to seek an appropriate protective order or other remedy, and that the Seller will disclose only such information as is legally required and will use reasonable efforts to obtain confidential treatment for any Confidential Information that is so disclosed; or (vi) is disclosed by Seller with Buyer's prior written approval. Seller agrees that Confidential Information may only be used by Seller as reasonably necessary to carry out the purposes of the agreement and for the sole benefit of Buyer.
- B. LICENSES.** Parties do not confer or grant, in any manner, to the other party any license or right under any patent, trademark, trade secret, copyright or other intellectual property right held by the other party, unless specifically set forth in any alternative governing agreement or Purchase Order. Any intellectual property license or other authorization extended by express grant from one party to the other party is limited by the terms of the express grant and such right shall terminate upon completion of the work or service.
- C. LIMITATION OF LIABILITY.** IN ADDITION TO ANY OTHER LIMITATIONS ON EITHER PARTY'S LIABILITY SET FORTH HEREIN, IN NO EVENT SHALL EITHER PARTY, ITS EMPLOYEES, AGENTS OR REPRESENTATIVES BE LIABLE BY REASON OF OTHER PARTY'S BREACH OR TERMINATION OF THIS AGREEMENT OR FOR ANY ACTS OR OMISSIONS OF THE OTHER PARTY IN CONNECTION WITH AN AGREEMENT OR PURCHASE ORDER FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OF ANY KIND, HOWEVER CAUSED, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF DATA, WORK INTERRUPTION, OR ANY CLAIMS OR DEMANDS AGAINST EITHER PARTY BY ANY OTHER ENTITY, WHETHER SUCH REMEDY IS SOUGHT IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, DAMAGES RESULTING FROM ANY DEFECT OF DEFICIENCIES IN ACCEPTED ITEMS, OR OTHERWISE. IN NO EVENT SHALL EITHER PARTY'S LIABILITY FOR DAMAGES IN ANY CIRCUMSTANCES SET FORTH IN THIS CLAUSE EXCEED THE PRICE PAYABLE FOR THE GOODS OR SERVICES TO BE PERFORMED BY SELLER UNDER THE AGREEMENT OR PURCHASE ORDER. THESE TERMS SHALL NEITHER CREATE FOR NOR GIVE TO ANY THIRD PARTY ANY CLAIM OR RIGHT OF ACTION AGAINST SELLER OR BUYER WHICH WOULD NOT OTHERWISE ARISE WITHOUT A GOVERNING AGREEMENT OR PURCHASE ORDER.
- D. TAXES.** The Buyer is responsible for all applicable Federal, state and local taxes, including, without limitation, any sales and use taxes.
- E. FORCE MAJEURE/EXCUSABLE DELAYS.** Neither party shall be responsible for delays or failure in performance resulting from acts beyond the reasonable control of such party. Such acts include, but are not limited to, acts of God, strikes, acts of war, epidemics, Government regulations superimposed after the fact, fire, communication line failures, power failures, earthquakes, acts of terrorism, or other disasters. The Seller shall notify the Buyer's representative in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith; shall remedy such occurrence with all reasonable dispatch; and shall promptly give written notice to the Buyer's representative of the cessation of such occurrence.
- F. INDEPENDENT CONTRACTOR.** Seller assumes full and sole responsibility for payment of all compensation, expenses, benefits (including but not limited to workers' compensation and medical benefits) of its employees and for all state and Federal income tax, unemployment insurance, social security, disability insurance, and other applicable withholdings or taxes. Seller and its agents are independent contractors for all purposes and at all times.
- G. NON-SOLICITATION.** Neither party shall recruit, solicit or otherwise attempt to hire, or hire directly or indirectly, the employees of the other for a period of six (6) months following the completion of work or services without the prior written permission of the other party. This restriction shall not apply to any individual employee who voluntarily seeks employment with the other party on their own initiative or in response to public employment advertisement.
- H. EXPORT COMPLIANCE REGULATIONS.** Products, services, and/or technical data provided or disclosed in performance of this Agreement may be subject to required and continuing U.S. Government approvals, clearances, regulations, and export/import and re-export requirements, including the U. S. Department of State International Traffic In Arms Regulations (Title 22, CFR Parts 120-130), the U.S. Department of Commerce Export Administration Regulations (Title 15, CFR 730-774), and any other U.S. Government regulation applicable to the export/import, re-export, or disclosure of such controlled technical data (or the products thereof) to Foreign Nationals whether within, or outside, the U.S. including those employed by, or otherwise associated with, the Parties. Parties acknowledge and agree to comply with all such U.S. regulations regarding export/import, re-export, or disclosure and will obtain any and all such registrations, licenses, agreements, approvals and/or certifications, as may be required by regulations for the export of the products, services, and/or technical data that may be provided under a governing agreement or Purchase Order before initiating performance.
- I. TERMINATION.**
- a. Termination for Breach. Notwithstanding any other language herein, either Party may terminate agreed upon work or services at any time in the event of a material breach by the other Party that remains uncured after thirty (30) days written notice thereof (or such shorter period as may be specified in this Agreement or in any applicable Schedule).
- b. Termination upon Notice. Notwithstanding anything to the contrary herein or in any Schedule, Buyer may terminate agreed upon work and services or any Schedule hereunder, in whole or in part, for any reason by giving the Seller ten (10) business days' prior written notice of its election to terminate said Agreement or Schedule.
- c. Notwithstanding any other language herein, in the event of any termination, Seller will provide Buyer within thirty (30) days of the effective date of termination, a final invoice that includes a detailed accounting of all hours and material dollars incurred through the effective date of termination. Should Seller's final invoice amount be less than the any Prepaid Deposit amount, Seller will provide a refund of the difference at the time it submits its final invoice to Buyer. Should Seller's final invoice amount be greater than the Prepaid Deposit, Buyer will remit the difference to seller within ten (10) business days.
- J. PAYMENT.** Unless agreed otherwise via written support agreement or governed by an alternate order, letter of engagement, or specific terms stated on a task's Purchase Order, full payment is due at the time an invoice is submitted to the Buyer for services performed by Seller. For Prepaid Deposit, a weekly to monthly invoice amount will be assessed as payment. The Seller will provide to Buyer a detailed accounting summary (exclusive of specific company proprietary data such and individual rate buildups) of hours and material dollars incurred in performance of the Services for the prior month. The invoice will also include a reconciliation of the total amount billed against the Prepaid Deposit showing the amount of Prepaid Deposit remaining.
- a. Any Prepaid Deposits which remain unbilled upon completion of a governing agreement shall be refunded to Buyer within ten (10) business days.
- b. The Buyer agrees that the Seller may impose the following:
- i. Assessment of a \$25 service fee for all checks presented and returned for non-sufficient funds (NFS) and unilateral Charge Card Charge backs by the customer where products have not been returned or approved for return by Seller. A cash or requested credit card payment may be required. A subsequent check for payment may be authorized by a duly authorized manager of the Seller, only.
- ii. An interest or finance charge of 5% APR (based on Virginia law) for any outstanding balances that exceed 15 day. The calculation of the charge may begin on the first day after the payment for services rendered is due.
- K. COLLECTIONS.** Buyer agrees to pay any and all costs associated with the collection of past due account including collection agency fees.
- L. RECORDS.** Seller shall maintain complete and accurate accounting records, in a form in accordance with generally accepted accounting principles, to substantiate Seller's hourly charges and expenses hereunder and Seller shall retain such records for a minimum period of three (3) years from the date of final payment under this Agreement. At no time shall Buyer have the right to audit any of Seller's proprietary accounting records.
- M. COPYRIGHT, TRADEMARK AND TRADE NAME.** Any and all copyrights, trademarks and trade names (whether registered or not) in or relating to any of the parties, and/or its partners (including without limitation, all of the Software and Documentation) are and shall remain the sole and exclusive property of the respective entity.
- N. ASSIGNMENT.** The Seller or its assignee may assign its rights to receive

payment due as a result of performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency in accordance with the Assignment of Claims Act (31 U.S.C. 3727). However, when a third party makes payment (e.g., use of the Government-wide commercial purchase card), the Seller may not assign its rights to receive payment under this contract.

- O. CHANGES.** Changes in the terms and conditions of any governing agreement or letter of engagement may be made only by written mutual agreement of the parties and by a duly authorized representative of the parties.
- P. DISPUTES.** In the event of an unresolved question, claim, or dispute under a governing agreement, such question, claim or dispute may be settled by arbitration to be held in the Commonwealth of Virginia before a single arbitrator appointed in accordance with the Rules of the American Arbitration Association. If Arbitration is selected, the decision of the arbitrator shall be final and binding upon both Parties as to law and fact and may be filed for execution with any court of competent jurisdiction. With respect to any dispute where the requested relief is injunctive or declaratory, either Party reserves the right to initiate action in Commonwealth or Federal Court in Virginia if such Party determines, in its own discretion, that an arbitral forum does not have the requisite authority to issue the requested injunctive or declaratory relief. The Parties shall share equally in the cost of the arbitrator; however, each Party shall be responsible for

its own filing fees and expenses, including but not limited to reasonable attorney costs, witness costs, and travel expenses. Unilateral Non-payment of an invoice due to any dispute is not an acceptable remedy.

- Q. RISK OF LOSS.** Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with the Seller until, and shall pass to the Buyer upon: a) delivery of the supplies to a carrier, if transportation is F.O.B. Origin; or b) delivery of the supplies to the Buyer at the destination specified in the contract, if transportation is F.O.B. Destination.
- R. GOVERNING LAW.** The agreement shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Virginia, without giving effect to its principles of conflicts of law.
- S. WARRANTY.** In addition to any other express or implied warranties made by the Seller, Seller warrants that only new materials will be used in items to be delivered under this order and that at any time of delivery to the Buyer, all goods, materials, or services will fully conform to applicable drawing, specifications, samples or other descriptions; will be free from defects in workmanship and materials; and where they are of Seller's design, will be free from design defects. Buyer will be subjected to an equitable adjustment as mutually agreed to by Seller and Buyer for defective or non-conforming products.