



Commercial Products

Industrial Products

Turbine Products

Bothwell Tangai
5214 Roblin Blvd
Winnipeg, MB
R3R 0H1

January 10, 2019

Dear Bothwell,

It is with great pleasure that I am able to offer you the position of Software Developer at VAW Systems Ltd.

As Software Developer you will be directly responsible for developing, testing and maintaining our Silencer Design Software, Manufacturing Support Software and ERP customizations. You will report directly to the Director of Engineering and Technology. The terms and conditions of your employment, including the general duties and responsibilities of the position are outlined in the enclosed attachments.

Your start date will be February 4, 2019. Our standard office hours are Monday through Friday, 8:00 A.M. to 5:00 P.M.

Your starting salary will be \$63,000 annually, payable every second Friday.

Our standard probationary period is 3 months of continuous full time employment. Salary and performance reviews are held thereafter, from time to time. Additionally, you will receive 3 weeks of annual vacation.

Upon successful completion of your probationary period, you will become eligible to receive group benefits (health, vision, dental, life and disability insurance) and the opportunity to sign up for optional life and critical illness insurance. Under the group plan, VAW Systems Ltd. pays the premium for all benefits except disability, which are paid by the employee.

After 2 years of employment, you will become eligible to participate in the VAW Systems Ltd. group pension plan. In the group plan, up to a maximum of 4% of your base salary is allocated to a group RSP, and the Company matches an equal amount to the VAW Systems Ltd. group DPSP plan. After ten years of employment, your contribution and Company match will increase to 5%.

Bothwell, I am very pleased to offer you this position. I am confident that you will be an excellent addition to VAW Systems, and that you will find your career with our Company both challenging and rewarding. If you have any questions at all about the attached terms of employment or the position, please do not hesitate to call me at 204-697-7786.

We look forward to receipt of our signed agreement prior to your first day.

Yours truly,

A handwritten signature in black ink, appearing to read "BPommer", written over a horizontal line.

Brian Pommer
Director Engineering & Technology
VAW Systems Ltd

VAW Systems Ltd.

1300 Inkster Boulevard
Winnipeg, Manitoba R2X 1P5

Tel: 204-697-7770
Fax: 204-697-7789
info@vawsystems.com
vawsystems.com

Terms of Employment

This agreement serves as the complete understanding between VAW Systems Ltd. (the “Employer”) and Bothwell Tangai (“Employee”) by which the Employer agrees to employ the Employee and the Employee agrees to accept the employment, the whole subject to the following conditions:

Commencement of Employment

The Employer shall employ the Employee on a full-time permanent basis commencing upon February 4, 2019.

Remuneration

The current rate of remuneration of the Employee shall be \$63,000 per annum Canadian funds. Said rate of remuneration may be adjusted from time to time as the parties may agree, and changes in remuneration, once accepted by the employee will not affect the application of this agreement.

Discretionary Bonus

By signing this agreement, you will be eligible for consideration for a discretionary annual bonus based on a bonus structure established by the Employer, from time to time.

Duties of Employment

During the period of employment, the Employee will devote his full time and best efforts to such duties as may be assigned to him from time to time by the Employer, will faithfully and diligently serve and endeavor to further the interests of the Employer and will comply with all rules and regulations as established and as revised from time to time by the Employer and duly notified to the Employee.

Group Benefits Plan

The Employee agrees to participate in the Employer’s Group Benefits Plan as soon as he becomes eligible to do so and to remain a participant and accordingly hereby authorizes the Employer to deduct from his earnings the regular premiums as required from time to time by the Plan.

Termination of Employment

- (a) The employment of the Employee may be terminated by the Employer or Employee at any time, within the first 30 days of employment without notice.
- (b) The employment of the Employee may be terminated by the Employer at any time without notice or pay in lieu thereof where the Employee is dismissed for cause.
- (c) After the first thirty (30) days of employment, the employment of the Employee may be terminated by i) the Employee, within the first year of employment upon providing two (2) weeks’ notice in writing to the Employer and after the first year of employment upon providing one (1) month notice in writing to the Employer, or ii) the Employer by providing two (2) weeks’ notice, or pay in lieu thereof, within the first year of employment, or upon providing the minimum notice in writing or pay in lieu required by current employment standards legislation applicable to the parties at the time of the Employee’s termination.

Inventions and Customized Product Solutions

Any and all inventions and improvements thereon which the Employee may conceive or make during this employment, whether during normal working hours or outside of normal working hours, which relates in any way to any of the matters which have been, are or may become the subject of the Employer’s business, including without limitation all products and investigations, or in which the Employer has been, is or may become interested, shall be the sole and exclusive property of the

Employer and the Employee hereby assigns all rights to the Employer. The Employee will promptly disclose to the Employer all such inventions and improvements.

Confidentiality

Upon acceptance of this offer, you agree that you will keep all business affairs, including but not limited to customer information, technical and personnel information of VAW Systems Ltd. confidential, and in the event that your employment is terminated for any reason (by you or VAW), you will return to the Company any and all information (originals and copies) in your possession related to its business regardless of the format in which it is stored. Additionally, you agree that after leaving the Company you will not act to harm the commercial interests of VAW Systems Ltd. in any way, including the dissemination of any VAW information regardless of its type, or format in which it is contained.

The Employee agrees that he will not, directly or indirectly, use or disclose to any person or corporation (including, but not limited to, a new employer) at any time either during or subsequent to his employment with the Employer, any secret, proprietary or confidential information, knowledge or data of the Employer or of a third party which the Employer is bound to keep secret (which information, knowledge or data includes, without limiting the generality of the foregoing, methods of doing business, information concerning product design, information concerning techniques and concepts in respect to products and services provided to be provided by the Employer, information as to costs, prices, profits, markets, sales, customer lists, and supplier lists) unless he shall first obtain the written consent of the Employer and where applicable, of the third party.

Non-Competition and Non-Solicitation

- (a) The Employee acknowledges that in and as a result of employment by the Employer, the Employee shall or may be acquiring or receiving the value and advantage of special training, skills and expert knowledge of, experience of and contacts with customers and clients of the Employer and other Employer employees who are engaged in the business of the Employer.
- (b) The Employee further acknowledges that in the course of employment the Employee will be assigned duties that will give him knowledge of confidential and proprietary information of a special and unique nature and value, relating to the conduct and details of the Employer's business and which will result in irreparable harm to the Employer which could not be adequately compensated by monetary damages if the Employee should enter into employment of rival or competitive concern, or should the Employee enter into the business of the Employer.
- (c) The Employee agrees that during the term of this agreement and for a period commencing on the date of cessation of the Employee's employment with the Employer and ending twelve (12) months thereafter, the Employee shall not be employed by, or engage, hold an interest, or have any involvement, either directly or indirectly, in, any business venture or company which competes in the countries of Canada and the United States of America with the Employer or any affiliate of the Employer, regardless of the physical location of such business venture or company, except with the prior written consent of the Employer. For the purposes of this paragraph, "competes" means to be engaged in the same or similar business or business-related endeavour to that of the Employer.
- (d) The Employee further agrees that for a period commencing on the date of the cessation of the Employee's employment with the Employer, and ending 12 months thereafter, the Employee shall not directly, or indirectly on behalf of any person, firm or corporation, other than the Employer, contact any of the persons, clients, companies or institutions with whom

he had contact on behalf of the Employer during his or her employment with the purpose or intent of competing with the Employer.

- (e) The Employee further agrees that for a period commencing on the date of the cessation of the Employee's employment with the Employer, and ending on the date of the end of the notice period applicable to the Employee as provided in paragraph (c) of "Termination of Employment" above, (whether or not the Employee was terminated with or without cause), the Employee shall not sell or offer for sale or solicit orders for the sale of any products or services competitive to the Employer, except with the prior written consent of the Employer.
- (f) The Employee further agrees that for a period commencing on the date of the cessation of the Employee's employment with the Employer, and ending 24 months thereafter, the Employee shall not directly, or indirectly on behalf of any other person (which includes assistance of any kind), hire any then-current employee of VAW Systems Ltd. or its affiliates as an employee, independent contractor or otherwise.

Both parties have agreed to the conditions of employment herein above mentioned and this letter executed this ____ day of ____, 2019 serves as the expression of their mutual agreement.

VAW Systems Ltd.



Per:

Name: Brian Pommer

Title: Director Engineering & Technology

By my signature, I specifically acknowledge that I have read, understood and agree with the foregoing terms and conditions and accept employment on those terms and conditions.

Witness for Employee

Employee