



THIRD PARTY MASTER SERVICES AGREEMENT

(Independent Contractor)

This Master Services Agreement is made this [Today's Date] day of [Month and Year], by and between Systems Integration Solutions, Inc., a California corporation, and its subsidiaries (hereinafter "SIS"), with its principal office located at 1255 Treat, Blvd., Suite 100, Walnut Creek, CA 94597 and [Company Name], jointly on behalf of itself and its personnel, (hereinafter "Contractor") located at [Company Address], and the parties agree as follows:

1. **PURPOSE:** SIS shall attempt to locate a client who requires temporary staffing of a specific project and to identify the specific training, skills, abilities, and experience required to perform the project. Contractor shall fully disclose the nature and extent of Contractor's personnel's training, skills, abilities and experience in the specialized areas of the computer industry and hereby warrants that such information provided is true and accurate. SIS shall evaluate Client's requirements to perform a project in relation to the training, skills, abilities and experience of Contractor's employees and if it appears Contractor is suitable to perform the project, SIS shall inform Client and Contractor regarding each other's needs and abilities and shall negotiate a rate of compensation for Contractor and SIS. Then Contractor and Client shall meet and negotiate and attempt to agree on a definition and parameters of the project; SIS shall not participate in such negotiations and terms or agreement.

2. **PERFORMANCE AND INDEPENDENT STATUS:**

- A. Contractor shall provide competent, professional services in the required disciplines, using Contractor's and its personnel's own appropriate independent skill and judgment, and the manner and means that appear best suitable to it to perform the work. Evaluation of Contractor's performance, if any, shall be made by Client. SIS shall not review, nor shall SIS have any right or responsibility to review, such performance, require progress reports, set the order or sequence for performing of services, or set Contractor's hours or location of work except that Contractor shall not perform services on SIS' premises.
- B. The relationship created by this Agreement is that of broker-independent contractor. Contractor has advised, or shall advise, its personnel that neither Contractor nor any of its personnel is an employee of SIS or Client. Neither Contractor nor any of its personnel is entitled to any benefits provided or rights guaranteed by SIS or Client, or by operation of law, to their respective employees, including but not limited to group insurance, liability insurance, disability insurance, paid vacations, sick leave or other leave, retirement plans, health plans, premium "overtime" pay, and the like. Since Contractor is an independent contractor, SIS will make no deductions from compensation

paid to Contractor for any federal or state taxes or FICA, and SIS and Client have no obligation to provide worker's compensation coverage for Contractor's personnel or to make any premium "overtime" payments at any rate other than the normal rate agreed to in the purchase order. It shall be Contractor's responsibility to provide worker's compensation and, if applicable, pay any premium "overtime" rate, for its employees who work on the project covered by this Agreement, to make required FICA, FUTA, income tax withholding or other payments related to such employees, and to provide SIS with suitable evidence of same when requested.

3. **WARRANTY:** Contractor acknowledges for itself and its personnel that information provided by it, including but not limited to, resumes, interviews, references, etc., is true and accurate to the best of Contractor's knowledge and Contractor acknowledges that such information will be relied upon by SIS and Client in order to evaluate the appropriateness of Contractor and its personnel performing the services on Client's specific project. Contractor warrants that neither Contractor nor any of its personnel are restricted by any employment or other contract which may prevent Contractor or its personnel from fully performing services for Client as referenced herein. Contractor understands that any misstatements or lack of candor by Contractor, or any of its personnel, of the qualifications or availability of its personnel, may be grounds for immediate termination by Client of any assignment and constitutes a breach of this Agreement. Contractor warrants that it maintains and shall maintain, a set of books and records to reflect items of income and expenses of its trade or business. Contractor further warrants that it has, and shall continue to pay, timely and fully, any and all state and federal taxes, including employee withholding taxes, if applicable.

4. <u>COMPENSATION FOR SERVICES:</u>

- A. Payment for services will be made for the services covered by Contractor's invoice. Such invoice shall be provided to SIS by Contractor with any required supporting records, within three days of completion of that billing period's services by Contractor for Client. The payment amount to Contractor will be as reflected in the Purchase Order, Exhibit "A", which, when signed by Contractor, shall be incorporated herein in full by this reference thereto, and no other compensation in any form, including benefits, will be provided by SIS or anyone else. Contractor is entitled to compensation per its invoice only upon SIS' receipt of funds from Client for that invoice, and with no liability otherwise because Contractor agrees that Client controls the payment of consulting fees to Contractor. Satisfaction of work performance is monitored by Client's approval of hours worked and time sheets signed by Client's manager or other authorized representative. However, SIS reserves the right for Client to audit all timesheets and work performance, which may refute earlier signed timesheets.
- B. If compensation is to be based on an hourly rate, Contractor shall maintain records of the hours that services have been performed, have a Client representative verify those hours by signing the records, and submit to SIS those records along with Contractor's invoice for the amount due to Contractor for the hours worked and verified. Procedurally, SIS will then bill Client based upon the hours contained in Contractor's invoice at the rate agreed upon between SIS and Client.

The difference between the amount paid to SIS by Client and the amount due to Contractor per Contractor's invoice shall be retained by SIS as commission from Client in consideration for SIS performing its services relating to the subject matter of this Agreement.

- C. At the request of and as a convenience to Contractor, SIS may advance funds to Contractor prior to receiving funds from the Client Firm. Funds will be advanced in accordance with SIS' Contractor Invoice Payment Process, Exhibit "B". In that event, if SIS does not receive funds from the Client Firm that cover all hours set forth in the invoice to SIS for which such advance was made, then Contractor must pay SIS an amount equal to any advances made by SIS for which it has not been reimbursed. Such repayments of advances shall be due immediately upon written demand mailed to Contractor.
- 5. <u>CONTRACTOR COSTS:</u> No travel, living, entertainment or other costs of Contractor will be paid by SIS. Whether the client for whom Contractor is performing services will pay any such costs is a matter between Contractor and the client and should be included in Contractor's invoice only if authorized by the client in accordance with industry practice to reimburse Contractor for such costs. SIS will provide no training, tools, equipment or other materials to Contractor. Contractor's invoiced hours will include no time spent in formal training and Contractor represents that it is not being provided such formal training by SIS, Client or anyone on behalf of SIS or Client.
- 6. **OTHER WORK FOR CLIENTS:** During the term of this Agreement and any renewals thereof, and for one year after the expiration of the initial and renewal periods, Contractor agrees that, unless specifically agreed to in writing by SIS, it and/or its assigned personnel will not directly or indirectly (i) provide or attempt to provide (or advise others of the opportunity to provide), any services to any client or prospective client to which Contractor has been introduced or about which Contractor has received information through SIS or through any SIS client for which Contractor has performed services, or to which Contractor was introduced, under this Agreement; or (ii) solicit, retain or attempt to retain for itself or for another party, the services of another one of SIS' contractors, employees, or prospective contractors or employees to which Contractor has been introduced or about whom Contractor has received information through SIS or through any SIS client for which Contractor has performed services or to which Contractor was introduced under this Agreement. For the purposes of the above, the term "client" includes any related affiliates, customers and clients of the client. This provision may be waived only on a case-by-case basis in writing by an executive officer of SIS, in his/her sole discretion, prior to Contractor taking the action for which waiver is sought. If Contractor violates this provision of this Agreement, SIS and Contractor agree that the amount of damages or compensation to be paid SIS as per this provision is extremely difficult to ascertain as SIS' normal compensation relates to the duration of future services of Contractor with Client which are normally for an indefinite or modifiable time period. However, after reviewing various statistics relating to the duration of contract, average payments to Contractor, and the like, SIS and Contractor agree that a reasonable amount payable to SIS is, and shall be under the circumstances of this provision, the sum of \$25,000 for each violation. Said sum shall be due and payable to SIS immediately as of the date of breach by Contractor.

7. <u>EMPLOYMENT OF CONTRACTOR'S EMPLOYEES:</u>

- A. Contractor understands that SIS is not responsible should Client Firm approach Contractor's employee with an employment opportunity. Further, in the event the Client Firm does approach the Contractor's employee regarding an employment opportunity, the Contractor understands it is the responsibility of the Contractor's employee to inform the Client Firm they are not interested in pursuing the employment opportunity.
- B. In the event that should all parties agree that Contractor's employee may accept an employment opportunity with the Client Firm, the Contractor agrees to abide by the Client Firm's conversion fee agreement in place with SIS.
- 8. **SERVICES FOR OTHERS:** Contractor may provide its services for others and through other brokers except as otherwise prohibited hereby.

9. **CONFIDENTIALITY; TRADE SECRETS; INTELLECTUAL PROPERTY:**

- A. Contractor acknowledges that by the very nature of the services to be performed for Client, Contractor and its personnel shall become aware of Client's trade secrets and confidential information. Except as Contractor may negotiate directly with Client per the following paragraph B., Contractor acknowledges that all such information shall be used by Contractor and its personnel, only to perform the services of the project for Client and no other purpose. Contractor and its personnel shall in no manner reveal or disseminate such information to any third party, including SIS. Contractor understands and is responsible for ensuring that its personnel understand, that such trade secrets and confidential information shall include all past, present and/or future plans, provisions, designs, forms, formats, procedures, methods, and other information relating to Client's technology, technical data, products, patents, copyrights, research and development programs, financial, legal and marketing data and other technical and business information.
- B. Unless Contractor and Client reach a written agreement to the contrary, in which case Contractor agrees to provide a copy to SIS for its files, Contractor agrees for itself and its personnel that pursuant to Client's requirement (a) all documents, deliverables, software, systems designs, disks, tapes and any other materials (collectively, "materials") created in whole or in part by Contractor in the course of or related to providing services to Client shall be treated as if it were "work for hire" for Client, and (b) Contractor will immediately disclose to Client all discoveries, inventions, enhancements, improvements and similar creations (collectively, "creations") made, in whole or in part, by Contractor in the course of or related to providing services to Client. All ownership and control of the above materials and creations, including any copyright, patent rights and all other intellectual property rights therein, shall vest exclusively with Client, and Contractor hereby assigns to Client all right, title and interest that Contractor may have in such materials and creations to Client, without any additional compensation and free of all liens and encumbrances of any type. Contractor affirms that the fee it has negotiated for the services performed under this

Agreement includes payment for assigning such rights to Client. Contractor agrees to execute any documents required by Client to register its rights and to implement the provisions herein.

- C. Contractor acknowledges that all Client Confidential Information, in particular Customer / Consumer Information, which is transmitted over any network must be encrypted in accordance with Client policies prior to transmission. Contractor agrees that where Contractor maintains any Client Confidential Information at Contractor's site, at a non-Client site or on Contractor's equipment (including portable equipment such as laptops), such Client Confidential Information shall be stored in an encrypted form in accordance with Client policies.
- D. Contractor understands that SIS is in a very competitive industry where confidential information and trade secrets are extremely valuable and important to SIS' economic life. Contractor may become familiar with certain business, methods, procedures, processes and other manners by which SIS transacts its business. Contractor hereby agrees that neither it nor any of its personnel shall use any of such information directly for its or their own benefit, nor shall they disseminate such information to any third party for any purpose whatsoever.

10. **LIABILITY; INDEMNITY:**

- A. Because of the independent status of Contractor and its personnel, Contractor is solely and completely accountable for the services it provides to Client and neither Client, nor Client's customers or its clients, nor SIS, shall have any liability whatsoever to any party for such services provided by Contractor or its personnel. SIS will not indemnify Contractor for any liability incurred by Contractor, its agents or personnel. Contractor hereby releases SIS from any liability relating to representations about the task requirement or to conditions under which Contractor may be performing services; those being negotiated by Contractor. Contractor hereby releases SIS from any liability for statements made by SIS, without malice, to third parties who inquire about Contractor's performance (i.e. professional referencing).
- B. Contractor shall indemnify and hold harmless SIS and Client, and their officers, directors, agents, owners, and employees, for any claims brought or liabilities imposed against SIS or Client by Contractor's employees or by any other party (including private parties, governmental bodies and courts), including claims related to worker's compensation, wage and hour laws, employment taxes, and benefits, whether relating to Contractor's status as an independent contractor, the status of its personnel, or any other matters involving the acts or omissions of Contractor and its personnel. Indemnification shall be for any and all loss, including costs and attorneys fees.
- 11. **ASSIGNMENT:** Any service performed on a project will be in accordance with the terms of this Agreement. Contractor is to provide services through only its personnel as specifically identified and who have agreed to be bound by this Agreement, for whom Contractor shall be solely responsible and through no other personnel. Neither Contractor nor any of the specifically identified personnel may assign its rights under this Agreement or any purchase order and may not sub-contract

its obligations hereunder to others. In case of assignment or subcontract, Contractor and/or the assigning or sub-contracting personnel shall be liable to SIS for damages due to any loss or reduced fees received by SIS as a result thereof. SIS may arrange for other independent contractors to perform the same or similar services that Contractor performs on any assignment in accordance with SIS' agreements with Clients.

- 12. **COMPLIANCE WITH LAWS ON USE OF ALIEN WORKERS:** If applicable, for each employee of Contractor assigned to perform work for Client, Contractor agrees and warrants that it will comply with all laws related to work being performed by alien workers in the United States including, but not limited to, the following:
- A. Contractor is a United States of America ("USA") company. Contractor's technical services personnel will be employees of such company, and such company will be their employer. Accordingly, the personnel will be on the payroll of such company that maintains copies in the USA of all payroll, wage and hour, and similar records required by the United States Department of Labor.
- B. Contractor's sponsored employee must have a valid H-1B visa based on a Labor Condition Application ("LCA") validly filed and maintained by Contractor for each work location to which its personnel are assigned under this Agreement. For all work performed in the USA, Contractor's sponsored technical services personnel will be paid the higher of the actual or prevailing wage in accordance with the LCA for such work in the locality where the work is being performed. Contractor represents that such wage will be properly stated on the LCA required to be filed with the Department of Labor for such employee, and such wage does not and will not include the value of any non-cash or in-kind benefits such as apartment or auto rentals, or any amounts reimbursed to the employee as per diem expenses, or the value of any other such fringe benefits. Contractor will provide to each employee under this Agreement a copy of the appropriate LCA as required by law. If the sponsored employee is not an "exempt" employee under the applicable "nonimmigrant" LCA, Contractor will take all actions necessary to ensure that all "non-displacement" requirements of U.S. Immigration law are fully complied with.
- C. Contractor represents that it is responsible for and in control of the payment of wages to its employee(s) under this Agreement, and that all required federal, state and local taxes, whether income, employment, excise or of any other type, will be paid by Contractor as the employer of all personnel under this Agreement. In the event that SIS is requested to make payments directly to any entity other than Contractor, which shall be in the sole discretion of SIS, and if such entity is not a USA company, then Contractor shall ensure that such entity has filed with federal, state and local authorities all documentation and statements required for such entity to receive payments from SIS without any back-up or other withholding by SIS from such payments, and Contractor will provide SIS with copies of such documentation and statements (e.g., IRS Form 4224).
- D. Contractor agrees that SIS may require the technical services personnel provided pursuant to this Agreement to execute such forms as SIS may request to confirm the representations in this Agreement, including INS Form I-9.

- E. Contractor agrees that any breach of the above provisions in paragraphs A through D shall constitute a material breach of this Agreement with SIS.
- 13. <u>CONTRACTOR'S EMPLOYEES:</u> Prior to commencement of Contractor's employees performing work for Client, Contractor agrees to take any preventative steps that it reasonably believes will ensure that such personnel will not engage in inappropriate conduct while on Client's premises. Inappropriate conduct shall include, but is not limited to: being under the influence of or affected by alcohol, illegal drugs or controlled substances; the manufacture, use, distribution, sale or possession of a weapon of any sort; and/or harassment, threats or violent behavior. Violation of this provision may be considered a material breach of this Agreement.
- 14. **INSURANCE:** Before providing services, Contractor shall, at its own expense, obtain with itself and its personnel as the insured comprehensive general liability and worker's compensation insurance coverage for projects covered by this Agreement and shall name SIS as an additional insured. The limits of liability for each coverage shall be no less than \$1,000,000. Contractor shall provide a copy of the binder and policy to SIS. If Contractor fails to furnish SIS with a copy, SIS is authorized to withhold all payments for services.
- 15. ARTICLES OF INCORPORATION: If Contractor is a non-resident corporation organized in a state other than California and doing business in the state of California, Contractor shall, within ten (10) days after the effective date of this Agreement, provide SIS a copy of Contractor's Certificate of Qualification obtained from the California Secretary of State documenting that Contractor is qualified to transact business in California. If Contractor fails to furnish SIS with such certificate within the time period, SIS shall withhold seven percent (7%) of the amount of the compensation paid to Contractor that exceeds Fifteen Hundred Dollars (\$1,500) in order to satisfy SIS' obligation to withhold payments of compensation to non-resident corporations for services rendered in this state pursuant to California Revenue and Taxation Code sections 18662 and 18666 and any other applicable statutes.

If Contractor is a duly organized and validly existing California corporation, Contractor shall within five (5) days after SIS' demand, furnish SIS with a certified copy of file endorsed Contractor's Articles of Incorporation filed with the Secretary of State.

If Contractor fails to furnish SIS with a copy of the above document within the time period, SIS may withhold invoice payments.

16. **ARBITRATION:** The parties understand that any dispute arising under or out of the terms and conditions of this Agreement shall be determined by arbitration pursuant to the provisions of California Code of Civil Procedure section 1280, *et seq.*, and not by a lawsuit or resort to court process. The parties waive any constitutional or other right to have any dispute regarding the terms and conditions of this Agreement decided in a court of law, and/or before a jury in a court proceeding. The parties to this Agreement acknowledge the use of arbitration as the sole means of resolving any dispute arising under or out of this Agreement.

If the parties are unable informally to resolve any dispute arising under this Agreement, either party may initiate arbitration by specifically requesting arbitration in writing to the other party. The parties agree to contact the offices of the American Arbitration Association ("AAA") and to request a list with the names of seven (7) skilled commercial arbitrators. Each party shall alternately strike the name of one arbitrator on the list (the first to strike shall be designated by lot) until one name remains on the list. That person shall be selected as the arbitrator to hear the dispute. A determination on the merits shall be rendered in accordance with the laws of the State of California. The decision of the arbitrator shall be final and binding on the parties. Expenses of the arbitrator shall be borne equally by the parties.

Any controversy concerning whether a dispute arises under or out of the terms and conditions of this Agreement shall itself also be submitted to arbitration for resolution.

- 17. **BREACH:** Any breach of any provision of this Agreement by Contractor or its personnel shall entitle SIS to recover from Contractor, or its personnel, damages and/or injunctive relief. Contractor agrees that because monetary damages are likely to be inadequate, SIS shall be entitled to both temporary and permanent injunctive relief.
- 18. **TERM OF AGREEMENT:** Nothing in this Agreement obligates Contractor to accept any offer to provide services. However, all terms and conditions of the Agreement shall remain in force during any and all periods for which Contractor's services are provided to Client and for any other periods before and/or thereafter as stated herein. In addition, paragraphs 2, 3, 6, 7, 9, and 10 shall apply even if Contractor rejects an offer to provide services on a Client project, in which case SIS shall have no further obligation to Contractor. Prior to the commencement of any services, SIS and Contractor will execute a Purchase Order on the form attached as Exhibit "A" to this Agreement which shall be considered part of this Agreement and binding upon both parties. Contractor's services under this Agreement will terminate at the end of the minimum time requirement covered by any Purchase Order and any renewals or extensions thereof ("end date"), or upon notice if for any

reason Client covered by the Purchase Order no longer desires the services of Contractor. Contractor may not voluntarily terminate its service under this Agreement before the end date unless, as stated in writing by Client, the project has been completed, the services are no longer required or by providing two week's written notice to SIS.

19. **MISCELLANEOUS:** This Agreement and any attached Purchase Order(s) and Exhibit(s), including those relating to separate requirements imposed by the client, represent the entire agreement and understanding of the parties and any modification thereof shall not be effective unless contained in a writing signed by both parties. No other document, including any agreement between SIS and Client, shall be deemed to modify any terms of this Agreement unless expressly stated in writing to do so and signed by both SIS and Contractor. Contractor agrees that all of its personnel working on Client projects covered by this Agreement shall sign a "Contractor Employee Consent" form in the form of Exhibit "C", agreeing to the terms of paragraphs 3, 6, 8, and 9 of this Agreement. The Contractor Employee Consent form will be delivered to SIS before such personnel begin work under any Purchase Order. Each Provision of the Agreement shall be considered severable such that if any one provision or clause conflicts with existing or future applicable law, or may not be given full effect because of such law, it shall be severed and not affect any other provision of the Agreement which can be given effect without the conflicting provision or clause. To the extent that there may be any conflict between the terms of this Agreement and of the Purchase Order, this Agreement shall take precedence. Contractor represents that Contractor has read and understands the terms of this Agreement, has had an opportunity to ask any questions and to seek the assistance of legal counsel regarding these terms, and is not relying upon any questions and is not relying upon any advice from SIS in this regard. This Agreement shall be governed by the laws of the State of California, except for its choice of law principles, regardless of where Contractor's work is performed, and any litigation shall be brought in the state or federal courts of the State of California. Contractor agrees to the exercise of personal jurisdiction over it by such courts to the full extent permitted by law.

CONTRACTOR: [Company Name]	
Print Signor Name	
Signature	
Date	
Telephone Number	
Fax Number	
E-Mail Address	
SYSTEMS INTEGRATION SOLUTIONS, INC.	
By: [Print SIS' Signor Name & Title]	Date
	Date

Executed in the County of Contra Costa, State of California on the date first above written.



EXHIBIT "A" TO THIRD PARTY MASTER SERVICES AGREEMENT

PURCHASE ORDER

SIS and below identified Contractor jointly on behalf of itself and its personnel, entered into a Master Services Agreement dated [Date; Month, Day and Year], which is incorporated herein in full. Pursuant thereto, SIS has located a Client for whom Contractor has agreed to perform services. SIS and Contractor agree to the following:

- 1. The Client of SIS for whom Contractor has contracted to perform services is identified as:
 - A. Name: [Client or Broker's Name]
 - B. Business Address: [Address]
 - C. Business Telephone Number: [Phone Number]
 - D. Client Representative: [Name of Person Authorized to Sign Timesheets]
 - E. Work Location: [Address]

[City, State, Zip]

- 2. A general brief description of the project is:
- 3. Contractor shall be compensated **[hourly, upon completion of project, etc.]** in the following amount:

[Bill Rate per Hour]

Barring any significant change in Consultant's responsibilities, both parties agree there will be no increase to this rate at least until **Date** (**One Year after Hire Date**).

4.	SIS currently believes that the services for Client shall commence on or about [Start Date; Month, Date and Year] and shall be completed by approximately [End Date; Month, Date and Year]. The time for performance of services by Contractor may be modified by mutual agreement or pursuant to the terms and conditions of the Master Services Agreement.		
5.	Contractor employee assigned to perform services is: Contractor Employee Name		
6.	The Undersigned have read, understand, and agree to the terms herein.		
CON	TRACTOR: [Company Name]		
Tax II	D#:		
Print S	Signor Name		
Signat	ture		
Date			
SYST	EMS INTEGRATION SOLUTIONS, INC.		
By:	rint SIS' Signor Name & Title] Date		



1255 Treat Blvd, Suite 100 Walnut Creek, CA 94597 (925) 465-7400 FAX (925) 465-7417

EXHIBIT "B" TO MASTER SERVICES AGREEMENT

CONTRACTOR INVOICE PAYMENT PROCESS

Following is SIS' policy concerning process and timing for the payment of invoices:

ACCOUNTS PAYABLE CYCLE

It is imperative that you provide your total hours worked immediately after the end of a work period; 1st thru the 15th is defined as Period 1 and the 16th thru the last day of the month is defined as Period 2. Please have your client manager sign your timesheet and return it to us, along with your invoice, according to the published schedule.

Please understand missing the cutoff dates in the published schedule will result in non-payment of the invoice until the next Accounts Payable payment day.

CHECK DISTRIBUTION

SIS will mail your check on the day before the Accounts Payable payment day.

IMPORTANT NOTE:

SIS cannot be responsible for the performance of the US Postal Service. Checks will not be considered lost until five working days after the Accounts Payable payment date. If you have any questions about this policy, please contact me and we can talk about it. If you who wish to ensure next day delivery of your checks, we will set up a process to send your check via an express mail service at a cost to you of \$25 (covering all costs associated with this procedure).

CONTRACTOR EMPLOYEE: COMPANY NAME

Signature:	Date:	
_		
Printed Signor Name:		

1255 Treat Blvd, Suite 100 Walnut Creek, CA 94597 (925) 465-7400 FAX (925) 465-7417

EXHIBIT "C" TO THIRD PARTY MASTER SERVICES AGREEMENT

CONTRACTOR EMPLOYEE CONSENT

In accordance with the Master Services Agreement signed between Systems Integration Solutions (SIS) and [Contractor] dated [Date; Month, Day and Year] under which Contractor has agreed to provide services to a third party user ("Client") [Client], [Contractor Employee Name] as an Employee of Contractor, agrees as follows:

- 1. <u>WARRANTY</u>: Contractor Employee acknowledges that information provided by him/her (including, but not limited to, resume, interview, and references) in consideration for providing services to or on behalf of Client is true to the best of Contractor Employee's knowledge, that he/she is not restricted by any employment or other agreement from providing services to SIS' Client, and understands that any misstatements or lack of candor by Contractor Employee of his/her qualifications or availability may be grounds for immediate termination of the Contractor Agreement by Client.
- 2. **OTHER WORK FOR CLIENTS:** Contractor Employee understands he/she would not be performing services for SIS' Client but for SIS' performance in its business. Contractor Employee further understands the personal contacts between SIS and Client, and information SIS has compiled about Client, is confidential and shall not be disclosed in any manner by Contractor Employee, but especially not used to the economic detriment of SIS by Contractor Employee. If during the term of the Agreement between Contractor and SIS under which Contractor Employee is assigned, and any renewals thereof, and for one year after the expiration of the initial and renewal periods, Contractor Employee is hired as a permanent employee, temporary employee, contracts as an independent contractor, or creates any other form of services relationship with Client or any intermediate broker to which Contractor Employee has been introduced or about which Contractor Employee has received information through SIS or through Contractor as the result of Contractor's discussions with SIS, or through any client for which Contractor Employee has performed services or to which Contractor Employee was introduced under the Contractor Agreement between SIS and Contractor or as the result of discussions between SIS and Contractor, Contractor Employee acknowledges that the provision of such employment or other services relationship was not contemplated as part of the services to be provided by SIS, but has been initiated by Contractor Employee, or Client. Any agreement for such employment or relationship is an agreement to which SIS shall not participate,

and in fact is a breach of the Agreement between SIS and Contractor, but SIS shall consent thereto subject to Contractor Employee's performance of this Section. SIS and Contractor Employee agree that the amount of damages or compensation to be paid SIS as per this provision is extremely difficult to ascertain as SIS' normal compensation relates to the duration of future services of Contractor Employee with Client which are normally for an indefinite or modifiable time period. However, after reviewing various statistics relating to the duration of contract, average payments to Contractor by SIS is, as shall be under circumstances of this provision, the sum of \$25,000. Said sum shall be due and payable to SIS immediately as of the date of employment or other covered services relationship.

3. <u>CONFIDENTIALITY</u>; TRADE SECRETS; INTELLECTUAL PROPERTY:

Contractor Employee acknowledges that by the very nature of the services to be performed for Client, he/she shall become aware of Client's trade secrets and confidential information. Contractor Employee acknowledges that all such information shall be used by him/her only to perform the services of the project for Client and no other purpose. Contractor Employee shall in no manner reveal or disseminate such information to any third party, including SIS. Contractor Employee understands that such trade secrets and confidential information shall include all past, present and/or future plans, provisions, designs, forms, formats, procedures, methods, and other information relating to Client's technology, technical data, products, patents, copyrights, research and development programs, financial legal and marketing data and other technical and business information. Contractor Employee further understands that SIS is in a very competitive industry where confidential information and trade secrets are extremely valuable and important to SIS' economic life. Contractor Employee may become familiar with certain business, methods, procedures, processes and other manners by which SIS transacts its business. Contractor Employee hereby agrees that he/she shall not use any of such information directly or indirectly for his/her own benefit, nor shall he/she disseminate such information to any third party for any purpose whatsoever.

Contractor Employee acknowledges that all Client Confidential Information, in particular Customer / Consumer Information, which is transmitted over any network must be encrypted in accordance with Client policies prior to transmission. Contractor Employee agrees that where Contractor Employee maintains any Client Confidential Information at Contractor Employee's site, at a non-Client site or on Contractor Employee's equipment (including portable equipment such as laptops), such Client Confidential Information shall be stored in an encrypted form in accordance with Client policies.

Contractor Employee agrees that, pursuant to Client's requirement that, (a) all documents, deliverables, software, systems designs, disks, tapes and any other materials (collectively, "materials") created in whole or in part by Contractor Employee in the course of or related to providing any services to Client shall be treated as if it were "work for hire" for Client, and (b) Contractor Employee will immediately disclose to Client all discoveries, inventions, enhancements, improvements and similar creations (collectively, "creations") made, in whole or in part, by Contractor Employee in the course of or related to providing services to Client. All ownership and control of the above materials and creations, including any copyright, patent rights and all other intellectual property rights therein, shall vest exclusively with Client, and Contractor Employee

hereby assigns to Client all right, title and interest that Contractor Employee may have in such materials and creations to Client, without any additional compensation and free of all liens and encumbrances of any type. Contractor Employee affirms that the fee negotiated for the services performed under this Agreement includes payment for assigning such rights to Client. Contractor Employee agrees to execute any documents required by Client to register its rights and to implement the provisions herein.

- 4. **BENEFITS:** Contractor has advised its personnel and Contractor Employee agrees that neither Contractor nor any of its personnel is an employee of SIS or Client or is entitled to any benefits provided or rights guaranteed by SIS or Client, or by operation of law, to their respective employees, including but not limited to group insurance, liability insurance, disability insurance, paid vacations, sick leave or other leave, retirement plans, health plans, premium "overtime" pay, and the like, and Contractor Employee hereby waives any claim to the same to the full extent permitted by law. It is understood and agreed that since the Contractor Employee is an employee of Contractor, SIS will make no deductions from fees paid to Contractor for any federal or state taxes for FICA relating to Contractor Employee, and SIS and Client have no obligation to provide Worker's Compensation coverage for Contractor Employee or to make any premium "overtime" payments. It is agreed that it is the Contractor's responsibility to provide Worker's Compensation and, if applicable, pay any premium "overtime" rate, for its employees who work on the project covered by this Agreement and to make required FICA, FUTA, income tax withholding or other payments related to such employees, (and to provide SIS with suitable evidence of the same whenever requested). In the event of any claims brought or threatened by any party against SIS or the client relating to the status, acts or omissions of Contractor or Contractor Employee, Contractor Employee agrees to cooperate in all reasonable respects, including to support the assertions of employment status made in this Agreement.
- 5. <u>INDEMNIFICATION:</u> Contractor Employee agrees to indemnify and hold harmless SIS for any and all loss, costs and other liability incurred or threatened, including attorneys' fees, related to violations of the obligations set forth in this Agreement.
- 6. <u>LAW:</u> This Agreement shall be governed by the laws of the State of California, except for its choice of law principles, regardless of where the work is performed. Each provision of the Agreement shall be considered severable such that if any one provision or clause conflicts with existing or future applicable law, or may not be given full effect because of such law, it shall be severed and not affect any other provision of the Agreement which can be given effect without the conflicting provision or clause. Contractor Employee agrees to the exercise of personal jurisdiction over him/her by the courts in such state to the full extent permitted by law.

Agreement:	
CONTRACTOR EMPLOYEE:	
Signature:	Date:

Printed Consultant Name:

As an employee of Contractor who will work on this project, I have been informed by

Contractor and understand my obligations under both the Purchase Order and the Contractor