



Source Group International Inc.

Contract Recruitment Terms of Business

This recruitment agreement and its terms and conditions (the “**Agreement**”) is entered into by and between Source Group International Inc., including its parent companies, assumed names, trade names, affiliates, subsidiaries and employees, together a recruitment agency, located at _____ (“**SGI**”); and _____, located at _____ (“**Client**”), including its parent companies, assumed names, trade names, associates, representatives, customers, agents, subsidiaries and employees (each a “**Party**” and collectively the “**Parties**”) on _____ (the “**Effective Date**”).

Client desires to engage SGI to provide recruitment, introductory and referral services and SGI desires to be engaged by Client per the terms and conditions of this Agreement.

In consideration of the promises and covenants contained herein and other good and valuable consideration, the Parties hereto, intending to be legally bound agree as follows:

1. The following definitions shall apply to this Agreement.

- a. “**Affiliate**” means any firm, company, corporation or other organization which is:
 - i. directly or indirectly controlled by the Client;
 - ii. directly or indirectly controls the Client;
 - iii. directly or indirectly controlled by a third party who also directly or indirectly controls the Client; or
 - iv. An existing or prospective customer of Client.
 - v. For the purposes of this definition, the term “control” when used with respect to any company means the possession, directly or indirectly, of power to direct or cause the direction of the management and policies of such company, whether through the ownership of shares or by contract or otherwise.
- b. “**Candidate**” means the person, applicant, entity, consulting firm, third party or prospective employee introduced or Presented (defined below) by SGI to Client or Affiliate.
- c. “**Charges**” are comprised of Candidate’s hourly bill rate plus SGI’s margin as well as Client’s reimbursement of all applicable costs, expenses, background checks, drug checks and other administration fees payable by Client to SGI.
- a. “**Convert**” or “**Conversion**” means Client or Affiliate’s direct contractual relationship with Candidate resulting in Client’s fulltime employment, part-time employment, temporary hire, hourly, contractor or consultancy engagement, contract to hire, or other arrangement of Candidate without SGI’s payroll or involvement.
- b. “**Conversion Fee**” is the non-refundable fee payable by Client to SGI calculated as a percentage of the Candidate’s Total Compensation. If the Total Compensation is unknown, the Conversion Fee shall be 500 times the Candidate’s hourly rate as determined by SGI in its reasonable discretion according to then prevailing market rates.
- c. “**Engage**” or “**Engagement**” means a direct or indirect, fulltime employment, part-time employment, temporary hire, hourly engagement, consultancy engagement, contract to hire, or other arrangement of Candidate by Client or Affiliate.
- d. “**Present**”, “**Presented**” or “**Presentation**,” means SGI’s provision or disclosure of any information to Client or Affiliate about a Candidate, whether written or oral, including without limitation, Candidate’s contact information, skillset, references, availability, background, CV, profile, experience, or any information that may be derived from same.
- e. “**Statement of Work**” or the “**SOW**” is the service order form attached hereto.
- f. “**Timesheet**” is the form or electronic timesheet provided by SGI to Client intended for billing and invoicing purposes. Client or Client’s Affiliate’s Timesheet signature shall confirm and approve the number of hours recorded, Candidate’s execution of the Work, Client and Affiliate’s satisfaction of the Work and Client and Affiliate’s agreement to pay the Charges to SGI.
- g. “**Total Compensation**” is a Candidate’s estimated total first year’s earnings, including without limitation, salary, commission, bonuses, relocation, allowances, guarantees, incentives, draw earnings and fringe benefits.
- h. “**Work**” means the time and materials services, or consulting services rendered by Candidate for Client or Client’s Affiliate.

2. **Acceptance of the Agreement:** The Agreement shall be deemed accepted and agreed by Client upon the first of the following to occur: (a) Client’s execution of the Agreement; (b) Client’s request for services; (c) Client’s in-person or phone interview of a Candidate; or (d) an Engagement.

3. **SGI Responsibilities:**

- a. SGI will use commercially reasonable efforts to Present Candidates who meet Client’s expectations; however, SGI makes no guarantees or warranties as to the quality of the Work or the suitability, proficiency or capability of a Candidate.
- b. If Candidate is not an employee of SGI, SGI may cause Candidate to (i) contractually name Client as a third-party beneficiary of certain rights and protection granted to SGI under its contract with Candidate; (ii) assign the intellectual property



created or produced by Candidate with respect to an Engagement to Client; (iii) own and maintain the minimum amount of commercial insurance coverage expected in Candidate's industry; and (iv) protect Client's confidential information.

4. **Client Responsibilities:**

- a. Client acknowledges and agrees that other than where Client or Affiliate Converts a Candidate and pays SGI the Conversion Fee, there shall be no direct contractual link between the Client and the Candidate or the Affiliate and the Candidate; and that Client or Affiliate, as the case may be, shall only Engage the Candidate according to the terms and conditions of this Agreement.
- b. Client shall: determine the requirements of the Engagement; interview and screen Candidate to identify whether Candidate's qualifications, technical ability and capability meet Client's needs; decide whether Candidate meets Client's standards; select Candidate, which means Client has decided Candidate is proficient; monitor the Work; conduct any testing; direct and control Candidate as to the Work and results of the Engagement; and closely monitor and oversee Candidate.
- c. Client shall provide SGI with all information necessary for Candidate to perform to Client and Affiliate's standards, including the role's responsibilities and tasks, job site location, start date, expected hours, pay, required experience, qualifications, training and certifications.
- d. Only Client and Affiliate, if applicable, can adequately determine whether a Candidate is qualified or fit for an Engagement.
- e. In the event Client requires Candidate to undergo a background check or execute an NDA or other document, Client shall notify SGI in writing prior to an offer being extended and the Candidate starting Work.
- f. At its expense, Client shall provide Candidate with Client's and Affiliate's policies, safe and suitable working conditions and all information necessary for Candidate to meet Client's and Affiliate's expectations.
- g. Candidate may perform some or all of the Work at Client or an Affiliate's worksite. As such, Client shall be solely responsible for ensuring that all employment laws, including without limitation, workplace harassment and workplace discrimination, are complied with by Client and its Affiliates and their respective customers, employees and contractors.
- h. Client shall immediately notify SGI in writing if becomes dissatisfied with Candidate. Within fourteen (14) business days from this written notice, SGI may take reasonable steps to remove the Candidate from the worksite or terminate the Engagement, if necessary.

5. **Timesheet Approval:**

- a. At the end of each calendar week or as agreed in writing by the Parties, the Client or Affiliate, as the case may be, shall review the Candidate's execution of the Work as well as the number of hours recorded on the Timesheet.
- b. Client or Affiliate's signature of the Timesheet means that Client and Affiliate accept the Work, that the Work is satisfactory and that the number of hours is undisputed and correct ("**Client's Approval**").
- c. Client's Approval waives all arguments and claims that the hours reflected on the Timesheet were inaccurate or that the Work was unsatisfactory, even if Client or Affiliate first discover a potential basis for such claim or argument after Client's Approval (except in cases of fraud).
- d. If Client or Affiliate disapprove of the Work or the number of hours recorded, Client shall inform SGI of the disapproval in writing with the reason for the disapproval, within seven (7) business days of receipt of the Timesheet; and the Parties shall work in good faith to promptly resolve any disputes and the disapproval. If Client fails to inform SGI of its disapproval or any dispute within this timeframe, Client and Affiliate shall be deemed to have approved the Work and all aspects of the Timesheet and shall be responsible for paying the Charges.
- e. Any representative of Client or an Affiliate who approves a Timesheet is authorized and qualified to do so and any such Approval is binding on Client and Affiliate for all purposes including payment.

6. **Charges and Payment:**

- a. Client shall pay SGI if Client Engages or Converts a Candidate within twelve (12) months from the latest to occur of the following: (i) Client's in-person interview or phone interview of the Candidate; (ii) any Presentation or any re-Presentation; (iii) the most recent discussion between the Parties regarding the Candidate; (iv) Client's withdrawal of an offer; or (v) Client's rejection of the Candidate.
- b. Should Client fail to notify SGI of an Engagement within five (5) business days of the Candidate's start date, Client shall immediately pay SGI the Conversion Fee equal to 35%.
- c. SGI shall invoice Client for all out of pocket, business expenses incurred by Candidate (travel, meals, transport, accommodation, etc.). Client's reimbursement of such expenses to Candidate shall be subject to a 5% administration fee and shall be charged by SGI to the Client.
- d. Client shall pay SGI for all Charges including approved expenses, administration fees, necessary taxes plus all hours of Work at the hourly or daily rate set out in the SOW, or if no SOW, then the rate decided by SGI in its reasonable discretion.
- e. Client acknowledges and agrees that adding, removing or changing the scope, services or requirements of an Engagement may result in additional time to complete the Work, and consequently, higher fees owed to SGI than originally estimated.
- f. Client shall provide SGI with all invoicing requirements prior to an Engagement; however, Client's failure to do so does not waive Client's obligations.

- g. The Charges shall be invoiced to Client on a bi-weekly basis and are payable in full within seven (7) calendar days from the date of invoice.
 - h. If Client disputes any item on an invoice, Client shall notify SGI in writing within seven (7) business days from the date of invoice and set forth its reason(s) for dispute. The Parties shall work in good faith and use best efforts to resolve any disputes. Client shall timely pay for any undisputed items.
 - i. SGI shall charge interest on all overdue amounts at the higher of (i) 1.5% per month or (ii) the highest rate permitted by applicable law.
 - j. Without prejudice to any other right or remedy hereunder at law or in equity, SGI may terminate an Engagement or suspend or halt the performance of the Work until outstanding invoices and Work are paid in full or any actual or anticipated breach of this Agreement is cured to SGI's reasonable satisfaction.
7. **Conversion:**
- a. In the event of a Conversion, Client shall pay SGI a Conversion Fee equal to 35%.
 - b. Client agrees that the Conversion Fee is not a penalty but rather a reasonable estimate of SGI's damages in the event of a Conversion.
8. **Confidentiality:** The Parties recognize that in the context of doing business with one another, each Party may provide the other with confidential data about the disclosing Party's business. As such, all information reasonable considered confidential and exchanged between the Parties hereunder, shall be used solely for the purpose of conducting business with each other in the manner contemplated by this Agreement. For example, Client agrees to protect any and all information disclosed by SGI to Client about Candidate and shall not share or disclose such information with a third-party unless authorized by SGI in writing.
9. **Relationship of the Parties:** This Agreement does not establish a partnership, joint venture, employee-employer relationship or a principal-agent relationship between SGI and Client. Similarly, nothing in this Agreement constitutes an employment relationship between Client and Candidate, unless and until a Conversion.
10. **Liability and Indemnification:**
- a. Client shall not hold SGI responsible for the following: (i) the way in which the Candidate chooses to fulfil the Work; (ii) for Candidate's acts or omissions; (iii) any misrepresentations or misleading information about a Candidate; (iv) failure of the Candidate to perform and execute the Work; or (v) Client or Affiliate utilizing the Candidate for any purpose not specified in the SOW.
 - b. Except to the extent directly attributable to SGI's wilful misconduct and fraud, SGI shall not accept any liability for any loss, expense, damage, judgment, cost or delay arising from the negligence, dishonesty, misconduct or incapability of a Candidate or if a Candidate fails, for any reason, to provide Work for the entire duration of the Engagement.
 - c. Client shall indemnify, defend and hold harmless SGI from and against any and all claims, demands, actions and liabilities, damages, costs, expenses, or settlement amounts, court costs and attorney's fees ("**Damages**") arising out of or related to Client or Affiliate's gross negligence, wilful misconduct, breach of this Agreement, fraud or violation of applicable law, including without limitation, workplace discrimination and harassment laws by Client or Affiliates, or any delay, loss, damage, cost, or claims for compensation arising from Client or Affiliate's information or instruction to Candidate.
 - d. SGI shall indemnify, defend and hold harmless Client from and against any and all claims, demands, actions and liabilities, damages, costs, expenses, or settlement amounts, court costs and attorney's fees arising out of or related to SGI's gross negligence, wilful misconduct, breach of this Agreement, fraud or violation of applicable law.
 - e. TO THE MAXIMUM EXTENT ALLOWABLE BY LAW, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES, EVEN IF THE OFFENDING PARTY KNEW OR SHOULD HAVE KNOWN, OR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THE AGREEMENT AND ANY SCHEDULE.
11. **Limitation of Liability:** Other than death or personal injury caused by SGI's wilful misconduct or gross negligence and notwithstanding anything to the contrary herein, and to the fullest extent permitted by law, SGI's total liability, in the aggregate, shall be limited to the amount paid by Client to SGI in the six (6) months preceding the event or circumstances giving rise to the claim.
12. **Successors:** Except as otherwise provided herein, this Agreement inures to the benefit of and shall be binding upon SGI and Client and their respective successors.
13. **Survival:** Upon termination of this Agreement, the following sections will survive: 1, 2, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16 and 17.
14. **Termination:**
- a. Upon Client's knowledge of a breach of the terms of this Agreement by SGI, Client shall provide SGI an opportunity for SGI to cure said breach, and, if SGI does not cure the breach within thirty (30) calendar days, Client may immediately terminate the SOW or the Agreement.
 - b. Client can immediately terminate the Agreement if Client has reasonably determined that (a) SGI has materially breached the Agreement, and (b) a cure is not possible.



- c. Client can terminate the SOW, an Engagement or the Agreement for whatever reason with at least thirty (30) calendar days' written notice to SGI in which case Client shall pay for all outstanding Work performed through the effective date of termination.
 - d. SGI reserves the right to terminate the SOW, an Engagement or the Agreement for whatever reason at any time with or without cause in accordance with the terms of this Agreement.
15. **Governing Law and Jurisdiction:** This Agreement is governed by and subject to the laws of the State of New York without regard to its conflicts of law principles and is subject to the exclusive jurisdiction of Manhattan, New York courts.
16. **Legal fees:** Client shall pay for all of SGI's legal fees, court costs and collection costs in the event SGI has to collect or bring an action concerning the Charges, a Conversion Fee, an invoice, a timesheet, to defend its rights, or to enforce its rights hereunder.
17. **Miscellaneous:** The Parties agree that the terms and conditions of this Agreement are understandable, fair and reasonable and that each Party had the opportunity to raise any objections or concerns with this Agreement and any SOW prior to signature and also have an attorney of choice review the Agreement. No provision of this Agreement shall be construed adversely to a Party on the ground that the Party was responsible for the preparation of this Agreement or that provision. This Agreement is binding and may be signed in counterparts. This Agreement constitutes the entire agreement and understanding between the Parties and supersedes all previous agreements, pre-existing negotiations, representations, promises and discussions, either written or oral, related to the subject matter herein. No amendment, variation or alteration of this Agreement or a SOW is valid unless executed by an authorized representative of both Parties in writing.

The Parties have executed this Agreement in duplicate as of the date first written below as evidenced by the following signatures:

Source Group International Inc.

Client

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____





Statement of Work ("SOW")

Date: _____

Client:		Candidate Name:	
Candidate shall provide the Work as indicated below, subject to the terms and conditions of the Agreement and this SOW.			
Job Title:	Work Location and Affiliate name, if applicable:	Bill Rate:	
Candidate Employer:		Description of the Work:	
		Additional information:	
Commencement Date of the Work:		Proposed End Date of the Work:	
Client's contact name, address and contact method for notices:		SGI's contact name, address and contact method for notices:	

This SOW is incorporated into the Agreement such that the SOW and the Agreement constitute the entire agreement between the Parties and supersede all prior and contemporaneous understandings between the Parties and therefore, all terms and conditions set forth in this SOW are also governed by the terms and conditions contained in the Agreement. In the event there is a conflict between the terms of this Agreement and a SOW, the terms of the Agreement shall control.

The Parties have executed this SOW in duplicate as of the date first written below as evidenced by the following signatures:

Source Group International Inc.

Client

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

