

CONSULTING AGREEMENT

BETWEEN

CAE Inc.

AND

(Insert Supplier legal name)

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CONSULTING AGREEMENT

This Agreement is entered into on **(insert Date)** ("Effective Date")

Between CAE Inc., a corporation incorporated under the laws of Canada having a place of business at 8585 Côte de Liesse, Saint-Laurent, Quebec, Canada, H4T 1G6 (hereinafter referred to as "CAE").

And **Insert supplier legal name,** a corporation incorporated under the laws of **(.....)** having its principal place of business at **(insert address)** (hereinafter referred to as "Supplier")

Being hereinafter collectively referred to as "Parties" and individually as a "Party".

WHEREAS the Supplier has approached CAE to provide services to CAE for consulting services through one or more of their consultants mentioned in the attached Schedule (hereinafter designated the "Consultant");

WHEREAS CAE wishes to retain the services of the Supplier for the purposes and under the terms and conditions indicated hereafter.

IN CONSIDERATION OF THE FOREGOING, the Parties have agreed as follows:

1. APPOINTMENT

- 1.1 The Supplier agrees to provide CAE through one or more Consultant(s), work and/or services to CAE, more fully described in the Schedule hereof, which are an integral part of this Agreement.
- 1.2 The Supplier agrees that the Consultant(s) will perform faithfully, diligently and to the best of his abilities, any of the work and/or services required by CAE hereunder. The Supplier acknowledges that time is of the essence in the performance of the work and/or the services.
- 1.3 Each Consultant will communicate with the CAE manager defined and named in the attached Schedule for its mandate. The Consultant(s) will provide information like, but not limited to, reports, documentation with respect to any matters relating to the performance of the obligations hereunder.
- 1.4 The Supplier and the Consultant(s) agree that depending on the nature of the work and/or services, the Consultant(s) may have to perform the work and/or services at a CAE's facility or at a CAE's customer's facility.
- 1.5 The Supplier and the Consultant(s) acknowledge that CAE has or may retain the services of other consultants coming from other Suppliers. The Consultant(s) agree(s) to co-operate with such Suppliers, if needed, as requested by CAE.

2. INDEPENDENT CONTRACTOR

- 2.1 This Agreement does not create any employer-employee relationship, joint venture, corporation or any such link between CAE, the Supplier and the Consultant(s). The Supplier and the Consultant have neither the authority nor the power to act as CAE's agent or to bind CAE in any manner whatsoever.
- 2.2 The Supplier is an independent contractor operating under the terms of this Agreement, and has no authority to do, and shall not do, any action which will subject CAE to the laws of any jurisdiction (other than Canada) or cause CAE to be deemed doing business within any jurisdiction (other than Canada).
- 2.3 Neither the Supplier nor the Consultant(s) can register as a CAE consultant in any country by making the records available to the consultants, either to lobbying or for any other purposes. In addition, Supplier shall not exercise lobbying activity for CAE unless the Supplier has obtained CAE's prior written consent. If CAE's written consent is provided, the Supplier shall provide evidence to CAE, prior to performing any lobbying activity, that it is duly registered as a lobbyist for the specific purpose agreed to with CAE (including evidence of any renewals as applicable).
- 2.4 The Supplier acknowledges that as an independent contractor, no other amount will be paid to him except the ones set forth herein.

3. COMPENSATION

- 3.1 **Fees:** CAE shall pay the Supplier, as the sole compensation for all the services provided by the Consultant, the fees defined in the Schedule attached.
The Consultant will not work more than forty (40) hours per week, except if agreed in writing with the CAE manager defined in the Schedule.
- 3.2 **Approved Expenses:** The Supplier shall be responsible for all expenses incurred under this Agreement excluding those expressly pre-approved in writing by CAE. CAE shall reimburse the Supplier, for those pre-approved expenses actually incurred, as long as they are according to the CAE Travel & Expenses Policy which can be provided upon Supplier request.
- 3.3 **Payment terms:** CAE will pay the invoice, net sixty (60) days from the receipt of the Supplier's invoice. All the following information shall be indicated in each invoice:
- Purchase Order (PO) number
 - Name of Consultant
 - Details of the Services
 - Number of working hours
 - Hourly rate
 - Period covered by the invoice
- 3.4 **Volume rebate:** The Supplier shall assign a volume discount to CAE based on annual amount charged on the anniversary date of this Agreement, and under the conditions defined in Schedule 2. In order to do this, the Supplier agrees to provide CAE a quarterly statement of amounts billed in connection with this Agreement. This volume rebates must be paid within 30 calendar days after the anniversary date of this Agreement.

- 3.5 **Taxes and fees:** It is the Supplier's responsibility to pay any income tax and / or employment related to one of the fees mentioned above. In addition, fees are exclusive of all customs duties and all applicable sales taxes, including all foreign sales taxes and value added taxes, levied by any authority whatsoever regarding professional fees, which must be loaded separately and handed over to the applicable authorities by the Supplier. Should any of the work and / or services be performed in Canada, the Supplier is responsible for charging CAE and deliver to the competent authorities any applicable Canadian and provincial sales taxes. The Supplier agrees to release and hold harmless and preserve CAE from any responsibility in this regard, including any fine or penalty claimed to CAE by any applicable authority. .

4. NON-COMPETITION

- 4.1 During the term of this Agreement and for a period of one (1) year thereafter, the Consultant shall not, without CAE's prior written consent, be hired either directly or indirectly as Consultant, principal, agent, officer or employee, or otherwise, in any business or activity which is in competition with CAE's product(s) or services, or for any potential product or service for which the Consultant has provided his/her services hereunder.
- 4.2 The Supplier agrees that the remedy at law for any breach by Supplier of the above paragraph may be inadequate and that, in the event of such breach, CAE shall be entitled to make an application to the appropriate court granting CAE temporary and/or permanent injunctive relief against Supplier, without the necessity of proving actual damage to CAE.

5. EFFECTIVITY

This Agreement shall take effect on the date indicated above ("Effective Date") and shall remain in effect until one of the two (2) Parties terminates it as provided in Article 6 (Termination) below. However, the attached Appendices describing the services of Consultants will remain in force until the execution of the work unless extended or terminated in writing in accordance with the provisions of Article 6 (Termination) below.

6. TERMINATION

6.1 Termination by CAE

CAE may terminate this Agreement and the Schedules associated with them, according to the following conditions:

- a) at any time without liability for such termination
- b) without notice if a Party contravenes the obligations hereunder without the Party that is not in default of not incur liability for termination

6.2 Termination by the Supplier

The Supplier may terminate this Agreement with written notice of six (6) months to CAE.

The Supplier may terminate one or more Schedule to the Agreement with a written notice of twenty (20) working days to CAE. In this case, the Supplier shall, at its own expense, replace the outgoing Consultant by another Consultant possessing at least equivalent training and experience as the outgoing Consultant, by the end of the notice period of twenty (20) working days, to allow knowledge transfer between the two (2) Consultants.

Termination of this Agreement shall not affect the obligations of the Supplier under Articles 4 (Non-Competition), 7 (Confidential Information), 8 (Liability and Indemnification), 13 (Intellectual Property Rights) or any other provision of this Agreement which by its nature and context is intended to survive termination of the agreement, which shall remain in full effect notwithstanding such termination or expiration.

Upon termination of this Agreement, the end of the term of each Schedule or at the request of CAE, the Supplier and its Consultants must submit to CAE all Confidential Information and any materials provided to the Consultant(s) by CAE.

During any period of notice(s) Consultant(s) will keep providing the services diligently and professionally under this Contract in accordance with the instructions of CAE.

7. CONFIDENTIAL INFORMATION

- 7.1 All information, documentation and data ("Information") obtained by the Supplier in connection with this Agreement shall be deemed to be confidential information and proprietary to CAE.
- 7.2 The Supplier undertakes:
- 7.2.1 not to use, duplicate in whole or in part, any of the Information, for any purpose other than the execution of this Agreement;
 - 7.2.2 to protect and keep in confidence said Information by using the same degree of care and safeguard as it uses to protect its own Information of like importance, but in any event no less than a reasonable degree of care;
 - 7.2.3 not to disclose or permit that the Information be disclosed, in any manner whatsoever, other than to its directors, officers, employees, investment advisers, legal counsel or other agents who have a need to know, and this, only if it is strictly necessary to disclose the Information to these persons for the execution of this Agreement. The Supplier undertakes to advise such persons of the confidential nature of this information and undertakes to have them execute a non-disclosure/confidentiality agreement containing the same terms and conditions as this Agreement. The Supplier undertakes to maintain a record of all individuals having access to the Information and to retain all the original non-disclosure/confidentiality agreements. The Supplier will supply such documents to CAE at its request;
 - 7.2.4 not to reverse engineer, decompile or disassemble any product (hardware or software) received from CAE, nor remove, overprint or deface any notice of copyright, trademark logo, legend or notice of ownership from any information or material obtained from CAE.
- 7.3 The Supplier agrees that the remedy at law for any breach by Supplier of the above paragraphs may be inadequate and that, in the event of such breach, CAE shall be entitled to make an application to the appropriate court granting CAE temporary and/or permanent injunctive relief against Supplier, without the necessity of proving actual damage to CAE.

8. LIABILITY AND INDEMNIFICATION

The Supplier shall indemnify and hold harmless CAE, its officers, employees and representatives against all loss, damage, liability, cost or expense which may be suffered or incurred by CAE, its officers, employees or representatives, arising out of the activities carried out by the Supplier and/or the Consultant hereunder, unless caused by the gross negligence of CAE, its officers, employees or representatives.

9. SECURITY

The Supplier will perform, by itself or by its third party verification firm, at its own expense, security background checks for any resources who are assigned to the present project. Only resources that have passed the verification successfully will be assigned to a project within CAE. However, it is also understood that any employee of the Supplier assigned to work at any CAE location, shall need proper clearance and authorization by CAE. The Supplier will provide the proper required clearance documents to CAE.

Such document shall include:

- Criminal history
- Past experiences
- References
- Security levels required by CAE

The Supplier must be registered in the Controlled Goods Program (CGP) with Public Works and Government Services Canada (PWGSC). Employees being sent to or used by CAE must be security assessed by the Supplier under the CGP.

If the Supplier loses its Controlled Goods, the Agreement will be revoked without any penalty to CAE. In the case an individual employee, Consultant or contractor loses his Controlled Goods assessment or Security Clearance, CAE must be advised and the employee, Consultant or contractor will be removed immediately.

10. INSURANCE

The Supplier shall be responsible for maintaining, at Supplier's expense, at all times during the term of this Agreement, all insurance that a reasonable and prudent Supplier would carry for the performance of the services performed under this Agreement.

The Supplier shall provide a proof of its insurance. This certificate of insurance shall be provided upon CAE's request.

11. COMPLIANCE WITH LAWS

- 11.1 The Supplier and the Consultant shall comply with and shall not violate any laws, rules and regulations that may be applicable to the performance of Supplier's and Consultant's obligations hereunder.
- 11.2 Supplier and Consultant (s) must comply with any code of business conduct, security and safety, policies and procedures of CAE, including but not limited to the CAE Code of Ethics (available online via:[http://www.cae.com/uploadedFiles/Content/BusinessUnit/Corporate/About CA/Media Centre/Document/CAE-Business-conduct-french.pdf](http://www.cae.com/uploadedFiles/Content/BusinessUnit/Corporate/About_CA/Media_Centre/Document/CAE-Business-conduct-french.pdf) or on request), policies of computer equipment, computer systems and software provided by CAE .
- 11.3 In the performance of Supplier's obligations hereunder, the Supplier agrees to obtain and/or maintain in effect all licenses, permits and authorizations, which may be required by any governmental agencies in any jurisdiction which may be applicable to the Supplier's obligations hereunder.
- 11.4 In no event shall CAE be obligated under this Agreement to take any action or omit to take any action that CAE believes, in good faith, would cause it to be in violation of any laws, rules and regulations of any applicable jurisdiction.

12. ASSIGNMENT/SUBCONTRACT

- 12.1 The Supplier acknowledges that CAE is entering this Agreement based on its confidence in the Supplier and its Consultant's abilities and reputation and that CAE is unwilling to proceed on the basis set out in this Agreement with any other person or entity. However CAE may assign its rights to any of its subsidiaries or affiliated companies.
- 12.2 The Consultant from the Supplier shall personally perform all of the obligations under this Agreement. The Supplier shall not hire any subcontractor, or any other party to perform the work and/or services.

13. INTELLECTUAL PROPERTY RIGHTS

- 13.1 The Supplier shall not have or claim, at any time, during or after the termination of his/her relationship with CAE, any right, title or interest in any intellectual property, patents, copyrights, trademarks, trade names or trade secrets belonging to or licensed to CAE. Any rights to intellectual property arising from the work and/or services rendered by the Consultant under this Agreement shall be assigned to, vest with and be the sole and exclusive property of CAE. Under no circumstances shall the Supplier be permitted to use such intellectual property, patents, copyrights, trademarks, trade names or trade secrets owned to or licensed to CAE without CAE's prior express written consent.
- 13.2 The Supplier further hereby permanently waives its moral rights to any software, documentation conceived, developed or produced by the Consultant as part of the work and/or services rendered under this Agreement, and shall provide CAE, at the completion of this Agreement and at such other time as CAE may require, a written permanent waiver of such moral rights, in form and contents acceptable to CAE.
- 13.3 The Supplier agrees that the remedy at law for any breach by the Supplier or the Consultant of the above paragraphs may be inadequate and that, in the event of such breach, CAE shall be entitled to make an application to the appropriate court granting CAE temporary and/or permanent injunctive relief against the Supplier, without the necessity of proving actual damages.
- 13.4 Notwithstanding the foregoing, CAE acknowledges that the Supplier retains ownership of its intellectual property rights existing prior to entering into this Agreement ("Background IP"), and, as part of the price paid hereunder, the Supplier agrees to provide to CAE a non-exclusive perpetual license (with the right to sublicense to any subcontractor, customer or end-user of CAE products, as applicable) of such of Supplier's Background IP required to fully exercise all of CAE's rights in the services, goods and other deliverables contracted by CAE hereunder.
- 13.5 The Supplier warrants that it is the owner of, or has the right to use, the Background IP, for the performance of the services hereunder and to further license same to CAE as indicated above in section 13.4 and that the rights granted herein do not infringe the intellectual property rights of any third party.

14. NOTICES

- 14.1 Unless otherwise agreed, any notice, request, requirement, approval, permission, consent or other communication under this Agreement shall be sent to the respective addresses set forth at the beginning of this Agreement. All notices, requests, requirements, approvals, permissions, consents or other communications related to the Consultant, shall be sent directly to the CAE manager defined in the attached and related Schedule.

- 14.2 Any such notice, request, requirement, approval, permission, consent or other communication in connection with this Agreement shall be given in writing and, if delivered by hand shall have been deemed received when so delivered, or if by registered mail shall be deemed to have been received by the addressee on the day on which it shall have been signed as received, or if faxed, shall be deemed to have been received by the addressee upon electronic acknowledgement or confirmation by recipient.

15. NON-SOLICIT

Throughout the term of this Agreement and for a period of twelve (12) months thereafter, the Supplier and the Consultant agree that they shall not, directly or indirectly, solicit for hire or hire any person that is at the time an employee of CAE or that was, during the previous six (6) months, an employee of CAE and who was either a member of the department that hired the services of the Supplier and the Consultant or who was directly involved in the project(s) for which the work and/or services of the Consultant were requested, or assisted the Consultant in the execution of the work and/or services requested from Supplier hereunder.

16. SEVERABILITY

If any provision of this Agreement, or part thereof, is declared to be invalid, illegal or unenforceable, such provision, or part thereof shall be severed from this Agreement and all other provisions of this Agreement shall remain in full force and effect.

17. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the internal laws of the Province of Quebec, Canada, as though it is a contract entered into between citizens of that province. Any dispute arising hereunder that cannot be resolved amicably between the Parties shall be submitted to the courts in Montreal, Quebec, Canada.

18. MISCELLANEOUS

- 18.1 The Parties declare that they have requested and hereby confirm their express wish that this Agreement be drawn up in the English language. Les Parties aux présentes ont requis que la présente entente soit rédigée en anglais.
- 18.2 Headings: The division of this Agreement into Articles, subsections and other subdivisions and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement.
- 18.3 Severability: The failure by either Party to enforce at any time any of the provisions of this Agreement, or to require at any time the performance by the other Party of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this Agreement or any part thereof, or the right of the said Party thereafter to enforce each and every such provision.

19. PRIOR AGREEMENT

This Agreement supersedes any other oral or written agreement previously signed and approved by CAE.

20. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, save and except for the provisions of any agreements, which by their nature or wording are intended to remain in full force and effect (e.g. confidentiality or non-disclosure undertakings). No modification, addition or amendment to the present contract shall bind the Parties unless duly approved in writing by the parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement upon the date indicated above.

CAE Inc.***Supplier Legal name***

Per: _____

Per: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SCHEDULE A

(A schedule for each consultant starting with A, B, C etc.)

Professional services

This Schedule is part of the Consulting Agreement between the Parties hereto effective on **XXXX**, (insert date of effect) and the related terms and conditions thereto.

- 1) Name of the Consultant: _____
- 2) Responsible Manager at CAE: The Consultant will work under the supervision of _____ (name, title and service of the manager).
- 3) Description of the services: _____ (insert brief description of the mission of the Consultant)
- 4) Terms: From (Month, date, year) to (Month, date, year) (insert dates on the mandate)
- 5) Business Hours: Services will be made during normal business hours of CAE, Monday through Friday, except holidays. The Consultant shall not work more than forty (40) hours per week, except with the prior written consent of the responsible CAE named in item 2).
- 6) Fees: The hourly rate for the Services will be fixed at \$ **XX.XX** / hour in Canadian dollars. Refer to Article 3 (Compensation) of the Consulting Agreement for more information.
- 7) Billing: Invoices shall be sent to CAE, to the attention of Accounts Payable, at 8585 chemin de la Côte-de-Liesse, Saint- Laurent, Qc., H4T 1G6, or by email at accountspayable@cae.com with the PO number related to **(INCLUDE SUPPLIER NAME)**.

Invoices must include the name of the Consultant, the PO number, details of the services provided, the hourly rate, the number of hours worked and the period covered by the invoice. Any invoice not conforming to the PO may be returned to **(INCLUDE SUPPLIER NAME)** for correction.

CAE Inc.

(INCLUDE SUPPLIER NAME)

Per: _____

Per: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____