Standard Terms of Engagement

Sattari · Systems Ontology · Version 1.0, November 3, 2026

These Standard Terms set out the commercial and legal terms of every Sattari engagement. The Charter incorporates them, together with Sattari's Engagement Conditions, which govern wherever the two differ.

1. Definitions

In the Agreement, these terms have the meanings given here.

"Agreement" means the Charter, these Standard Terms, the Engagement Conditions and the Product Schedule, together.

"Charter" means the engagement charter signed by Client and Sattari, including any change order to it.

"Client" means the organization named in the Charter as the client.

"Sponsor" means the individual named in the Charter who holds, on Client's behalf or for a body that holds it, the authority Condition 1 of the Engagement Conditions requires, or a successor who holds that authority and whom Client designates in writing.

"Sattari" means Sattari Group, LLC.

"Engagement Conditions" means Sattari's Engagement Conditions, in the version named in the Charter.

"Product Schedule" means Sattari's Product Schedule, in the version named in the Charter, which sets out what each product's deliverables contain.

"System" means the system described in the Charter.

"Purpose" means what the System is for, as given in the Charter and settled in the First Deliverable.

"Boundary" means where the System ends for the engagement, as proposed in the Charter and settled in the First Deliverable.

"Services" means the work described in the Charter.

"First Deliverable" means the deliverable at the first milestone, which settles what the System is for and where it ends, and sets out in an access inventory the access the Services require.

"Final Report" means the report Sattari issues at the conclusion of the Services, together with any response Client attaches and any reply Sattari makes under the Engagement Conditions. If the engagement ends at the first milestone, the Final Report is the First Deliverable.

"Deliverables" means the Final Report and any other item the Charter identifies as a deliverable.

"Working Papers" means the notes of interviews and observations, analyses, models, correspondence and internal drafts that Sattari prepares in performing the Services, other than the Deliverables.

"Pre-Existing Materials" means the methods, frameworks, taxonomies, scoring methods, templates, tools and know-how that Sattari developed before or independently of the engagement. They include the method set out in *Systems Ontology: The Competence, Its Ground, and Its Practice*, version 1.0, published on November 15, 2026, at https://www.sattarigroup.com/documents/systems-ontology/v/1.0.

"Intended Users" means Client and the persons and bodies named as intended users in the Charter.

"Business day" means a day other than a Saturday, a Sunday or a California state holiday.

2. The Agreement

2.1 Application. These Standard Terms apply to every engagement whose Charter incorporates them.

2.2 Precedence. If parts of the Agreement conflict, they govern in this order:

(a) the Engagement Conditions;

(b) the Charter, including any deviation from these Standard Terms that it lists;

(c) the Product Schedule;

(d) these Standard Terms.

2.3 Client's own contract. Where Client's own contract form governs the engagement, these Standard Terms apply only to the extent that form incorporates them, and the Charter serves as its scope of services.

3. Standard of care and the nature of findings

3.1 Standard of care. Sattari will perform the Services with the care and skill ordinarily exercised by professionals performing similar services under similar circumstances.

3.2 Findings are professional judgment. Findings are professional judgments based on the information available to Sattari within the Boundary. Sattari does not warrant that the Services will identify every fault in the System, or that any remedy will achieve a particular result. Sattari makes no other warranty, express or implied.

3.3 What the Deliverables are not. The Deliverables are not, and do not contain, legal advice, engineering or architectural specifications, clinical judgments, actuarial opinions, or audit or attestation opinions. Where a finding calls for one of these, the Final Report says so, and its remedy direction identifies the kind of specialist the remedy requires. Findings concern the System, not the individuals who work in it. They do not name individuals, and they do not determine the conduct, culpability or legal responsibility of any person for any loss, accident or injury. Sattari does not

determine what the law requires or whether Client complies with it, and a finding that the operative purpose diverges from the stated purpose is not a finding that any law has been violated.

3.4 Reliance on information. Sattari may rely on information Client provides without independently verifying it. The Final Report states where a finding depends on such information, and where information Sattari sought was not available.

3.5 Independent review. Client may at any time commission an independent review of any Deliverable.

4. Client's responsibilities

4.1 Access. Client will provide access to documents, people, data and operations as the Charter provides, through the point of contact the Charter names. Client may replace the point of contact by written notice.

4.2 Information. Client will provide information that is accurate and complete to the best of its knowledge, and will tell Sattari promptly if it learns that information it provided is inaccurate.

4.3 Decisions. Client will make the decisions the Services require within the times the Charter sets.

4.4 Management decisions remain Client's. Decisions about whether and how to act on the Deliverables remain Client's. Sattari does not make management decisions or perform management functions for Client.

4.5 Effect of delay. If Client does not provide access, information or decisions within the times the Charter sets, the dates that depend on them are extended by the length of the delay, and Sattari is not in breach for the resulting delay. If the delay increases the work, Sattari may propose a change order under Section 5.3.

5. The Boundary and changes

5.1 The basis of the engagement. The Charter records the System, its Purpose as the Sponsor gives it, and a proposed Boundary. The First Deliverable settles the Purpose and the Boundary with the Sponsor, and the Services that follow are scoped and priced on that basis. Once settled, both parties may rely on them.

5.2 Notice of a misdrawn Boundary. If Sattari comes to believe that the Boundary has been drawn in the wrong place, it will tell the Sponsor promptly, in writing, and explain why.

5.3 Change orders. Except as Section 6.4 provides, a change to the Purpose, the Boundary, the Services, the Deliverables, the fees or the schedule requires a written change order signed by both parties before the changed work begins. Each change order states the fees before the change, the net amount of prior change orders, the amount of the change and the adjusted fees, together with any change to the not-to-exceed amount or the schedule.

6. Fees and payment

6.1 Fees. Total fees do not exceed the not-to-exceed amount stated in the Charter. The fee for the first milestone is fixed in the Charter, and the fees for the remaining milestones are set under Section 6.4. Each milestone fee is earned on completion of the milestone and invoiced as this Article and the Charter provide. Unless the Charter states otherwise, fees include Sattari's expenses and the cost of any specialists it engages.

6.2 Start of work. Work begins on the start date in the Charter, which follows signature by both parties.

6.3 First milestone. For a Client that is not a public body, Sattari invoices the first milestone when the Charter is signed.

6.4 Remaining milestones. With the First Deliverable, Sattari states a fixed fee and date for each remaining milestone, calculated from the access inventory. Their total, with the fee for the first milestone, does not exceed the not-to-exceed amount. The Sponsor's written decision to proceed accepts those fees and dates without a change order. If the Sponsor decides not to proceed, or does not decide within the time the Charter sets, the engagement ends at the first milestone, unless the parties agree a change order. If the settled Purpose and Boundary would need fees above the not-to-exceed amount, Sattari says so with the First Deliverable, and the engagement ends at the first milestone unless the parties agree a change order.

6.5 Invoices. Invoices are due within 30 days of receipt. If Client disputes part of an invoice, it will notify Sattari in writing within 15 business days of receipt, stating its reasons, and will pay the undisputed amount when due. An amount not disputed within that period counts as undisputed for the purposes of Sections 7.1, 18.2 and 18.5.

6.6 Public bodies. Where Client is a public body, milestones are invoiced in arrears, on completion, and any payment period or condition the law sets governs.

6.7 Taxes. Fees exclude any sales, use or similar tax that applies to the Services, which Client will pay.

7. Deliverables, Working Papers and Pre-Existing Materials

7.1 Deliverables. Sattari retains copyright in the Deliverables it creates. Copyright in any response Client attaches to the Final Report remains with Client. On delivery, Sattari grants Client a non-exclusive, royalty-free license to use, copy and distribute the Deliverables for any of Client's purposes, subject to Article 8. The license is suspended while any undisputed fee for the Deliverables is overdue, and becomes perpetual and irrevocable when they are paid in full.

7.2 Working Papers. Working Papers are and remain Sattari's property. They are not Deliverables, they are not delivered to Client, and Client has no right to possess or control them. Sattari will make Working Papers available for inspection where the law requires, including for audit by the California State Auditor.

7.3 Pre-Existing Materials. Pre-Existing Materials remain Sattari's. To the extent any are incorporated in a Deliverable, Sattari grants Client a non-exclusive, perpetual, royalty-free license to use them solely as incorporated in, and for the use of, that Deliverable. The Agreement grants no right to extract, adapt or use Pre-Existing Materials apart from the Deliverable.

7.4 General knowledge. Nothing in the Agreement prevents Sattari from using, in other work, the general knowledge, skills and experience it gains, or ideas, concepts and methods, provided it does not disclose Client's Confidential Information.

8. Use of the Final Report

8.1 Intended Users. Sattari prepares the Deliverables for the Intended Users. Sattari owes no duty to, and accepts no liability to, any other person who obtains or relies on a Deliverable.

8.2 Integrity of the report. When Client discloses or publishes the Final Report, or work delivered under Section 18.4, it does so in its entirety and without alteration. Client may redact what the law requires it to withhold, and, where Client is subject to a public records law, what that law permits it to withhold, each shown as a redaction. Client may also disclose or publish an excerpt or a summary, identified as such and stating where the complete report can be obtained. A summary is identified as the Client's own. Redactions, excerpts and summaries made as this Section allows are not alterations. An altered version may not bear Sattari's name or be attributed to it.

8.3 Drafts and interim deliverables. Drafts and other interim deliverables are provided for review under the Engagement Conditions and for the conduct of the engagement. They are not to be relied on for any other purpose and are superseded by the Final Report. They may not be published except as a public records law requires.

8.4 Public records. Where Client is subject to a public records law, Deliverables delivered to Client may be disclosed under that law, and such disclosure does not breach this Article.

9. Confidentiality

9.1 Meaning. "Confidential Information" means non-public information that one party discloses to the other in connection with the engagement and that is marked confidential, or that a reasonable person would understand to be confidential. Client's Confidential Information includes information Sattari obtains through the access the Charter provides.

9.2 Protection. Each party will use the other's Confidential Information only for the engagement, except as Article 10 permits, and will protect it with at least reasonable care.

9.3 Exclusions. Information is not Confidential Information if it is or becomes public without breach of the Agreement, was known to the receiving party before disclosure, is independently developed, or is received from a third party without a duty of confidentiality.

9.4 Compelled disclosure. A party may disclose Confidential Information where required by law, court order, subpoena or a public records law. Where lawful, it will give the other party prompt notice, so that the other party may seek protection.

9.5 Personnel and specialists. Sattari's personnel and specialists are bound by obligations of confidentiality no less protective than this Article.

9.6 Defending Sattari's rights. Sattari may use and disclose Client's Confidential Information to the extent reasonably necessary to establish or defend its rights in a dispute or claim relating to the engagement, under a protective order where one is available.

10. Publication

10.1 Client's name. Sattari will not identify Client as a client, or use Client's name or marks, without Client's written consent.

10.2 Anonymized case studies. Sattari may publish an anonymized case study derived from the engagement as the Charter's publication election permits. Where the election calls for review, Sattari will give the draft case study to the Sponsor. Within 10 business days, the Sponsor may identify any detail that could identify Client or any person, and Sattari will remove or generalize it. Once that period has passed, Sattari may publish. The review does not extend to the substance of the findings.

10.3 Publicly available information. Nothing in the Agreement restricts Sattari's use of publicly available information, including in Sattari's own readings of public systems drawn from publicly available sources, unless the information became publicly available through a breach of the Agreement. Information is not publicly available merely because it is held in a public record. This Section does not permit Sattari to identify Client as a client without the consent Section 10.1 requires. For two years after the Final Report, Sattari will not publish its own reading of the System without Client's written consent.

11. Independence

11.1 No payment for findings. Sattari accepts no payment, commission or other benefit from any vendor, integrator or firm for a finding that points toward its products or services.

11.2 Fees are not contingent. Sattari's fees are fixed before the work they pay for. They are never contingent on the content of a finding or on any outcome.

11.3 Conflicts. Sattari will disclose to the Sponsor, in writing, any conflict of interest that arises during the engagement, and the Engagement Conditions govern what follows.

11.4 No part in later contracting. Sattari does not prepare, or assist Client in preparing, any request for proposals, request for qualifications or other solicitation for work that its findings may lead to, and takes no part in Client's decisions to contract for that work.

12. Use of AI tools

12.1 Use. Sattari uses artificial-intelligence tools to assist in research, analysis, drafting and review. Findings and judgments are made by Sattari's practitioners, who are responsible for them.

12.2 Protection of Client's information. Sattari uses Client's information in such tools only under terms that prohibit the tool's provider from training models on it and require the provider to keep it confidential.

12.3 Health information. Sattari does not place protected health information in any AI tool except under a business associate agreement that covers that use.

12.4 Consent or notice. Where Client's own contract requires consent to, or notice of, the use of AI tools, the Charter's statement on AI use constitutes that consent or notice.

13. Limitation of liability

13.1 The limit. Sattari's total liability arising out of or relating to the Agreement or the Services, on any theory, is limited to the greater of (a) the fees paid to Sattari under the Charter (for an engagement with recurring fees, those paid in the twelve months before the event giving rise to the liability), or (b) $100,000. Client may obtain a higher limit for an additional fee, stated in the Charter.

13.2 Consequential damages. Neither party is liable to the other for lost profits, lost revenue, loss of opportunity, or other indirect, incidental, special or consequential damages.

13.3 Exceptions. Sections 13.1 and 13.2 do not apply to liability for fraud, willful injury to person or property, or gross negligence, or to any liability that the law does not permit to be limited. Section 13.2 does not limit either party's obligation under Article 14 to indemnify the other against amounts owed to third parties.

13.4 Negotiation. Client acknowledges that it had the opportunity to negotiate this Article and Section 20.4, and that Sattari's fees reflect it.

14. Indemnity

14.1 By Sattari. Sattari will indemnify Client against losses, including reasonable attorney's fees, arising from third-party claims, to the extent caused by the negligent acts or omissions or willful misconduct of Sattari or its specialists in performing the Services.

14.2 By Client. Client will indemnify Sattari against losses, including reasonable attorney's fees, arising from third-party claims, to the extent caused by:

(a) Client's alteration or excerpting of a Deliverable contrary to Article 8;

(b) Client's use of a Deliverable for a purpose other than that of the engagement; or

(c) Client's decisions whether and how to act on the Deliverables.

14.3 Defense. Notwithstanding Civil Code section 2778, neither party has a duty to defend the other before fault is determined. An indemnifying party will reimburse the indemnified party's reasonable defense costs in proportion to its share of fault, as finally determined. If a claim is settled or otherwise resolved without a determination of fault, the parties will agree each one's share of the defense costs or, failing agreement, resolve it under Article 20.

14.4 Procedure. A party seeking indemnity will give the other prompt written notice of the claim and reasonable cooperation in its defense. Neither party will settle a claim in a way that admits fault on the other's behalf without its consent.

15. Legal process

15.1 Compensation. If Sattari is required by subpoena, court order, records request or other legal process, or is asked by Client, to produce documents or give testimony relating to the engagement in a matter to which Sattari is not a party, Client will pay for the time of Sattari's personnel at Sattari's standard hourly rates then in effect, and will reimburse its reasonable expenses and attorney's fees.

16. Insurance

16.1 Coverage. Sattari maintains professional liability insurance with limits of not less than $2,000,000 per claim and $2,000,000 in the aggregate, and general liability insurance with limits of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate. Sattari will provide certificates of insurance on request.

17. Specialists

17.1 Engagement of specialists. Sattari may engage specialists to perform parts of the Services and remains responsible for their work. Specialists are bound by the Engagement Conditions and by Article 9.

18. Termination and suspension

18.1 By Client. Client may terminate the engagement for its convenience on 10 business days' written notice.

18.2 By Sattari. Sattari may terminate the engagement on written notice if:

(a) Client does not pay an undisputed amount within 15 business days after written notice that it is overdue; or

(b) an Engagement Condition fails and cannot be restored, as the Engagement Conditions provide.

18.3 For breach. Either party may terminate on written notice if the other materially breaches the Agreement and does not cure the breach within 15 business days after written notice of it.

18.4 Payment on termination. On any termination, Client will pay:

(a) the fees for completed milestones;

(b) for a milestone in progress, a pro rata share of its fee reflecting the work performed through the effective date of termination; and

(c) any costs Sattari has incurred that cannot be cancelled.

Any amount Client has paid in advance is credited against these, and any balance is refunded.

Sattari will deliver the work completed as it stands, marked to show what it could not finish, as the Engagement Conditions provide.

18.5 Suspension for nonpayment. Sattari may suspend the Services if Client does not pay an undisputed amount within 10 business days after written notice that it is overdue.

18.6 Suspension by Client. If Client suspends the Services for more than 90 days, Sattari may propose a revised fee and schedule, or terminate the engagement with payment under Section 18.4.

18.7 Pause when a condition fails. If an Engagement Condition fails, Sattari may pause the Services by written notice stating which condition has failed and why. A pause under this Section is not a breach by Sattari. If the condition is restored, the Services resume, and the dates that depend on them move by the length of the pause. If within 30 days the condition is not restored and the Services are not rescoped by change order, the condition cannot be restored for the purposes of Section 18.2(b).

19. Records

19.1 Retention. Sattari retains the Working Papers and engagement records for 5 years after final payment, or longer where the law or a legal hold requires, and may then destroy them.

19.2 Audit. Where the law requires, Sattari will make its records of the engagement available for audit for the period the law sets.

20. Disputes

20.1 Negotiation. A party with a dispute arising out of or relating to the Agreement will give the other written notice of it, and the parties' senior representatives will try in good faith to resolve it within 30 days.

20.2 Mediation. A dispute not resolved by negotiation will be submitted to mediation before a mediator the parties agree on, with the mediator's fees shared equally, before either party starts a lawsuit. If the parties have not agreed on a mediator within 15 business days of a request for mediation, either party may ask JAMS to appoint one, and if mediation has not concluded within 60 days of the request, either party may sue. This does not prevent a party from seeking urgent relief from a court, or from filing to preserve a claim that would otherwise expire.

20.3 Law and forum. The Agreement is governed by the laws of the State of California. Any lawsuit will be brought in the state courts of California, in the county where Client is located or, if Client is located outside California, in the county of Sattari's principal office.

20.4 Time for claims. A claim relating to the performance of the Services must be brought within two years after the earlier of delivery of the Final Report or termination of the engagement, regardless of when the claim or loss is discovered.

20.5 Continued performance. Each party will continue to perform during a dispute, except as Article 18 permits.

21. Health information

21.1 Business associate agreement. If the Services involve protected health information within the meaning of the Health Insurance Portability and Accountability Act, the parties will enter into a business associate agreement before Sattari receives it. That agreement governs the handling of protected health information.

22. General provisions

22.1 Independent contractor. Sattari performs the Services as an independent contractor.

22.2 Entire agreement. The Agreement is the parties' entire agreement about the engagement and supersedes any prior proposal or understanding. Terms in a purchase order or similar document issued by Client do not apply.

22.3 Amendment. The Agreement may be amended only in a writing signed by both parties.

22.4 Assignment. Neither party may assign the Agreement without the other's written consent, except that Sattari may assign it to a successor to substantially all of its business.

22.5 Notices. Notices are given in writing to the addresses in the Charter, and may be given by email.

22.6 Severability. If a provision is unenforceable, it is enforced to the fullest extent permitted, and the rest of the Agreement is unaffected.

22.7 Waiver. A failure to enforce a provision is not a waiver of it.

22.8 Signatures. The parties agree to transact electronically. The Charter may be signed in counterparts and by electronic signature, including by a method a public entity requires. Each person who signs it confirms that they are authorized to bind the party for which they sign.

22.9 No third-party beneficiaries. The Agreement benefits only the parties.

22.10 Events beyond control. Neither party is liable for delay caused by events beyond its reasonable control, and the schedule adjusts accordingly.

22.11 Survival. Articles 1 through 4, 7 through 15, and 19 through 22, and any obligation to pay for work performed, including under Section 18.4, survive the end of the engagement.