

FORM OF CONSULTING AGREEMENT

As of: The ____ of ____, 2024

This consulting agreement (the “Agreement”) sets forth the terms upon which you shall be retained by Pareto Capital Partners LLC (the “Company”), to provide services to the Company or to any of its affiliated investment vehicles (any referred to as “Fund”).

1. Position. [NAME] (the “Consultant”) shall be retained by the Company to provide advisory services as an independent contractor.
2. Term/Termination/Extension. The term of this Agreement shall be for a period beginning as of the date referenced above (the “Effective Date”) and ending on the one year anniversary of the Effective Date (the “Expiration Date”), unless either terminated by either party via a signed writing provided to the non-terminating party at least 30 days prior to termination. The term of this Agreement may only be extended via a written extension incorporating all provisions of this Agreement signed by both parties. The consulting relationship between you and the Company may be terminated at any time for any reason, subject to the terms herein. Notwithstanding the foregoing, each party shall provide the other party advance written notice of the intent to terminate this Agreement and the services provided hereunder prior to the Expiration Date. The period of time from the Effective Date through the Expiration Date or, if earlier, the date on which you cease providing services to Company, is herein referred to as the “Term”.
3. Compensation and Related Matters. (a) *Fee.* During the Term, for all services rendered pursuant to this Agreement, you shall be paid independent consultant fees (the “Fee”) as described in **Annex A** to this Agreement. For the avoidance of doubt, your compensation under this Agreement shall not vary according to the form of conveyance in connection with any acquisition of any portfolio company by the Fund.

(b) *Expenses.* The Company shall reimburse you in accordance with its customary procedures for all necessary and reasonable pre-approved travel, lodging, meals, long distance toll charges, FedEx and similar courier charges and other out-of-pocket expenses you incur during the Term in the course of performing your services on behalf of the Company, subject to any applicable expense reimbursement policy of the Company as in effect from time to time; provided, that you furnish adequate records and other documentary evidence required to substantiate such expenditures in a form and substance satisfactory to the Company, at its sole discretion. No expenses will be reimbursed if not approved in advance. Periodically, Consultant shall submit to the Company an expense report covering said pre-approved and out-of-pocket expenses. To control reimbursement levels, the Company may, at its option and discretion, pre-book your travel, transportation and lodging.

(c) *Tax Matters.* To the extent consistent with applicable law, the Company shall not withhold or deduct from any amounts payable under this Agreement any amount or amounts in respect of income taxes or other employment-related taxes or withholdings of any other nature on your behalf. You will be issued a Form 1099, if appropriate. You shall be solely responsible for the payment of any federal, state, local or other income and/or self-employment taxes in respect of the amounts payable to you under this Agreement.
4. Services. During the Term, you shall provide consulting services to the Company on the terms

and subject to the conditions of this Agreement, including, without limitation, the sourcing, analysis, and investigation of [BUSINESS NAME] (the “Target Business”) as a potential Fund portfolio investment.

You shall be permitted to render services to persons other than the Company; provided, that such services do not violate the Restrictive Covenants set forth in Section 5 of this Agreement or otherwise interfere with your provision of services to the Company. You represent that you shall comply fully with all laws applicable to the provision of services under this Agreement, including, without limitation, the U.S. Foreign Corrupt Practices Act and local anti-corruption laws.

For the avoidance of doubt, the services that you shall provide to the Company shall not include:

- a. negotiating between the Company and any potential portfolio company in connection with the acquisition of any such portfolio company (other than assisting in transferring documents between the parties);
- b. any advertising activities;
- c. assisting in forming a group of purchasers to acquire a potential portfolio company;
- d. assisting in obtaining financing, other than identifying potential lenders; or
- e. advising on whether to issue securities or assessing the value of any securities sold.

5. Restrictive Covenants. You acknowledge that your ability to provide services to the Company pursuant to this Agreement confers a substantial benefit upon you and, in exchange, agree to the following covenants.

(a) *Non-Competition.* Unless otherwise agreed in writing, you agree that during the Term and thereafter until three (3) months following the expiration of the Term, you shall not, directly or indirectly, on your behalf or on behalf of any other person, firm, corporation, association or other entity, as an employee, advisor, partner, consultant or otherwise, provide services or perform activities for, or acquire or maintain any ownership interest in, a “Competitive Enterprise.” For purposes of this Agreement, “Competitive Enterprise” shall mean a business (or business unit) that (i) engages in any activity or (ii) owns or controls a significant interest in any entity that engages in any activity, that in either case, competes anywhere with any activity that is similar to an activity in which the Company, or any of its affiliates or portfolio companies is engaged up to and including the date you cease providing the services described in this Agreement, including, without limitation, any fundraising activities of the Fund.

(b) *Non-Solicitation of Employees.* You agree that during the Term and thereafter for a period of 24 months following the expiration of the Term, you shall not, directly or indirectly, for yourself or on behalf of any third party at any time in any manner, solicit, hire, or otherwise cause any employee, officer or agent of the Company, or any of its affiliates or portfolio companies to apply for or accept employment with, any Competitive Enterprise, or to otherwise refrain from rendering services to the Company, or any of its affiliates or portfolio companies, or to terminate his or her relationship, contractual or otherwise, with the Company, or any of its affiliates or portfolio companies, other than in response to a general advertisement or public solicitation not directed specifically to employees of the Company, or any of its affiliates or portfolio companies. For purposes of this Agreement, the term “solicit” means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, persuading, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

(c) *Non-Solicitation of Clients.* You agree that during the Term and thereafter for a period of 24 months following the expiration of the Term, you shall not, directly or indirectly, (i) solicit a Client (as defined below) to transact business (including investing in) with a Competitive Enterprise or to reduce or refrain from doing any business (including investing in the Fund) with the Company, to the extent you are soliciting a Client to provide them with services the performance of which would violate Paragraph (a) above if such services were provided by you, or (ii) interfere with or damage (or attempt to interfere with or damage) any relationship between the Company and a Client. For purposes of this Agreement, the term “Client” means any client, employee, portfolio company, portfolio company employee, investor or prospective client or investor of the Company to whom you provided services, or for whom you transacted business, or whose identity became known to you in connection with your relationship with the Company, whether or not the Company have been engaged by such Client pursuant to a written agreement; provided, that an entity that is not a client of the Company shall be considered a “prospective client” for purposes of this sentence only if the Company made a presentation or written proposal to such entity during the twelve-month period preceding the Expiration Date or was preparing to make such a presentation or proposal at the time of the Expiration Date.

6. Confidential Information. (a) You acknowledge that during the Term you will have access to information relating to the Company, its affiliates and/or third parties and their respective business that is not generally known by persons not employed by or consulting with the Company and/or such other affiliates and entities, and that could not easily be determined or learned by someone outside of the Company and/or such other affiliates and entities that provide such entities with a competitive advantage, or that could be used to such entities’ disadvantage by a competitor (“Confidential Information”), and that such information constitutes a valuable asset of such entities. You shall not, without the prior written consent of the Company or as required by law, use or disclose, or enable anyone else to use or disclose, any Confidential Information (whether or not developed by you). As used herein, the term “Confidential Information” includes, but is not limited to, all trade secrets, confidential information and know-how, but does not include information the relevant entity has previously intentionally disclosed to the public or is otherwise in the public domain. You agree not to disclose or use such Confidential Information at any time in the future except as may be required by law. You further agree to return or destroy any such Confidential Information within your custody or control at the Company’s written request, and to provide written certification to the Company of having completed such action.

(b) In the event that you are requested pursuant to, or required by, applicable law or regulation of any governmental entity, or legal process to disclose any Confidential Information, you will promptly notify the Company so that it may seek a protective order or other appropriate remedy, and you will cooperate fully with the Company in protecting Confidential Information to the extent possible under applicable law. In the event that no such protective order or other remedy is obtained, or that the Company does not waive compliance with the terms hereof applicable to such disclosure, the Company nonetheless shall be deemed to consent to the disclosure of only, and you agree to furnish only, such portion of the Confidential Information that you are legally required to disclose, and you agree to exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the information so disclosed.

7. Independent Contractor Status. (a) It is understood by the parties hereto that you shall at all times during the Term be an independent contractor with respect to the Company and there shall not be implied any relationship of employer-employee, partnership, joint venture, principal and agent or the like by the agreements contained herein.

(b) You shall not have any authority to act as an agent of the Company or its affiliates, except on authority specifically so delegated in a prior writing from a duly authorized officer of the Company or any of its affiliates, and you shall not represent to the contrary to any person. You shall not have or claim to have, under any circumstances, power of decision hereunder to obligate, bind or commit the Company in any respect. You shall not (i) direct the work of any employee of the Company, (ii) make any

management decisions on behalf of the Company or (iii) undertake to commit the Company to any course of action in relation to third persons. Although the Company may specify the results it desires you to achieve during the Term, the Company shall not exercise or have the power to exercise any level of control over you as would indicate or establish that a relationship of employer and employee exists between the Company and you. Subject to the terms of this Agreement, you shall have full and complete control over the manner and method of rendering independent contractor services hereunder.

8. Miscellaneous. (a) *Assignment.* This Agreement shall not be assignable by you. The parties agree that any attempt by you to delegate your duties hereunder shall be null and void. This Agreement shall be binding upon and shall inure to the benefit of any affiliates or successors of the Company to which it is assigned. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. Nothing in this Agreement shall confer upon you any right to continue to provide services to the Company or any of its affiliates or interfere in any way with the right of the Company or any such affiliates to terminate your services at any time.

(b) *Confidentiality.* The terms of this Agreement are strictly confidential, and you agree not to disclose such terms to anyone other than your attorney, your immediate family, your tax advisor or as required by law or applicable regulatory rules.

(c) *Governing Law; Arbitration.* This Agreement shall be governed and construed in accordance with the laws of the State of New York. All disputes and controversies arising out of the terms and conditions of your provision of services to the Company shall be submitted to binding arbitration.

(d) *Amendment.* This Agreement may not be altered, modified or amended except by written instrument signed by the parties hereto.

(e) *Representation.* You hereby represent to the Company that the execution and delivery of this Agreement by you and the Company and your performance of your duties hereunder shall not constitute a breach of, or otherwise contravene, or be prevented, interfered with or hindered by, the terms of any employment agreement or other agreement or policy to which you are a party or otherwise bound. The Company acknowledges that it shall perform all applicable due diligence that may be required prior to entering into a transaction for the acquisition of an interest in Target Business at its own cost and expense pursuant to the requirements of its own internal policies, procedures, and governing Fund documents.

(f) *Agreement.* All parties' rights and obligations shall in all respects be governed by the terms of this Agreement, which contains the complete understanding between you and the Company concerning your provision of services to the the Company, your compensation therefor and the other matters covered herein and, except as set forth in this Agreement, shall supersede any and all previous contracts, understandings, agreements, commitments, promises or similar communications or arrangements with respect to such subject matters between any of the Company, its affiliates and their respective directors, officers, employees and agents, and you. Without limiting the foregoing, you acknowledge and agree that you shall not be entitled, whether under this Agreement or otherwise, to any compensation or benefits not described herein.

Pareto Capital Partners LLC

By: _____

Name: _____

Title: Authorized Member

AGREED TO AND ACCEPTED

AS OF THE DATE FIRST WRITTEN ABOVE:

CONSULTANT

By: _____

Its: _____

ANNEX A

Fee Arrangement

Pursuant to the terms herein and as set forth in the foregoing Agreement, in the event that the Fund successfully consummates a “Qualified Investment,” defined to mean an investment in a company introduced via a Qualified Introduction (as defined below) (a “Qualified Company”) resulting in Fund owning greater than 50% of Target Business, by or within 12 months of the Expiration Date of the Agreement (the “Tail Fee Period”), then the Company shall pay Consultant a Fee as follows:

A. Qualified Introduction

A “Qualified Introduction” will only have been made where all of the following criteria are met:

- i. Consultant introduces the Company to the Target Business that was previously unknown to the Company and was not previously identified as a prospective seller to the Company or the Fund by another consultant, broker, or intermediary within the prior twelve months; and
- ii. The Company did not have prior acquisition discussions with the principals of the Target Business either directly or indirectly through another consultant, broker or intermediary within the prior twelve months; and
- iii. Prior to investment negotiations, Consultant provided to the Company pertinent data about the Target Business and arranged an introduction of the principals of the Target Business within sixty (60) days hereof and with an owner of the Target Business and a Principal/Partner or Managing Member of the Company; and
- iv. Consultant shall not assist other interested parties with a potential acquisition of the Target Business during the term of this Agreement and has not and will not receive a fee from any other party in connection with the acquisition of the Target Business by the Fund.
- v. The Company provides written certification that the Target Business introduced by Consultant satisfies the criteria set forth in this Section A and thus may be designated a Qualified Company for purposes of this Agreement.

B. Fee Amount

Control Investment

Where the Fund successfully consummates a Qualified Investment resulting in the Fund owning greater than 50% of the economic interests or voting control of the Qualified Company (a “Control Investment”) before the Expiration Date or during the Tail Fee Period, the Company shall pay Consultant a cash fee to be paid at the Control Investment’s closing, to be calculated as follows:

5% of the first \$1,000,000 of Total Purchase Price (as defined below), plus
4% of the second \$1,000,000 of Total Purchase Price, plus
3% of the third \$1,000,000 of Total Purchase Price, plus
2% of the fourth \$1,000,000 of Total Purchase Price, plus
1% of the remaining Total Purchase Price

The term “Total Purchase Price” means, without duplication, everything of value received by, paid to or payable to the Qualified Company and/or its shareholders (the “Seller”) by the Fund in connection with a Control Investment, including but not limited to cash, assets, securities, promissory notes, earn-outs, other deferred payments, and assumption of indebtedness by the Fund, (other than ordinary course liabilities). Total Purchase Price shall also include compensation paid to the Seller for agreements not to compete, employment agreements, real estate leases and consulting or other similar agreements solely to the extent that such consideration is in excess of commercially reasonable amounts for such agreements or arrangements for businesses similar to the Qualified Company and for transactions of similar size to the transaction with the Qualified Company.

If an earn-out payment or other deferred or contingent purchase price arrangement is part of the Total Purchase Price, then a fee associated with the earn-out consideration shall only be paid at the same time and in the same form as the Seller receives the deferred or contingent consideration, if Seller ever receives such deferred or contingent compensation.

ii. Non-Control Investment

Where the Fund successfully consummates a Qualified Investment resulting in the Fund owning less than 50% of the economic interests or voting control of the Qualified Company (a “Non-Control Investment”), it shall pay Consultant a cash fee to be paid at the investment’s closing before the Expiration Date or during the Tail Fee Period equal to 3% of the amount of equity invested by Company.

In addition, Company shall have no obligation to indemnify Consultant or any of its agents, representatives, employees, officers, or controlling persons for costs, fees or expenses of any type incurred with respect to responding, preparing for, or defending against any governmental or regulatory inquiry, action or proceeding brought under the Securities Exchange Act of 1934 or any state securities law in connection with the services rendered pursuant to this Agreement.