

Statement of Work

1. Introduction and background

Wingtip Toys is a leader in the design and manufacturing of innovative and education children's toys. They are dedicated to producing the highest quality, engaging toys which are socially mindful and constructed via sustainable means through their worldwide network of suppliers.

Caravel Labs is a Public Benefit Corporation with the stated purpose:

To promote (or reduce negative effects) for social entrepreneurs by providing technological solutions which enable them to scale their impact toward achieving the United Nations Sustainable Development Goals (as amended, supplemented, or otherwise modified from time to time); furthermore, in order to advance the best interests of those materially affected by the corporation's conduct, it is intended that the business operations of the corporation create a material positive impact on society and the environment, taken as a whole.

The Client is seeking to build a software solution to ensure their supply chain transparently incorporates sustainable, socially responsible, and environmentally friendly practices from end-to-end. Caravel Labs is pleased to work with the Client to develop the software solution as described in more detail in this document.

2. Approach

Caravel Labs' objective is to ensure that its clients are successful in continuously achieving their critical business goals, in the most efficient, expedient, and efficacious manner possible. The approach for all engagements therefore emphasizes minimizing effort and uncertainties for both Caravel Labs and the Client and requires a commitment to do so on part of both parties.

To achieve the objectives and deliverables of this SOW, Caravel Labs will assign a team of consultant engineers to work with the Clients' business stakeholders and user representatives to jointly design, develop and operate a software solution to meet the Clients' business goals.

The process of continuously achieving critical business goals through technology entails two iterative and incremental, but distinct processes, viz.,

Product Design, wherein new products/features and services that solve problems for users using hypothesis progression framework and human-centered design. Since this process is user-driven, estimates and outcomes have a high degree of uncertainty by design. This uncertainty is mitigated by maintaining a *product backlog*, that describes the requirements of the product's feature set as understood at any given time. The items in the backlog are continuously prioritized, refined, clarified, and their complexity estimated, so that the

engineers focused on delivery can work on the most impactful and feasible items and therefore deliver value in short and predictable intervals.

Product Delivery, wherein well-designed and prioritized work items from the product backlog above can be built, tested, and deployed in a valuable form for the clients' users in highly predictable and short cycle times. This requires a commitment to software engineering capabilities such as test and deployment automation, trunk-based development, secure development, loosely coupled architectures, team empowerment, continuous integration, version control, test data management, software monitoring and proactive notifications. While this commitment is primarily within the purview of the engineering team, its effectiveness is directly influenced by the Client's commitment to the principles of continuous delivery of value to their users and lean management principles such as limiting work in progress, soliciting, and acting on feedback from users and lightweight change approvals.

To keep the product delivery process lean and minimize impact to the time of the Client's business stakeholders and users, and depending on the specific situation on the project and all involved parties, the team will use a combination practices and methodologies under the Agile/Lean principles, such as Scrum, XP (Extreme Programming), and Kanban, which at a minimum are characterized by the following:

- **Iteration planning ("sprint" planning):** the process of selecting items from the product backlog for inclusion in a project development iteration
- **Iteration reviews ("sprint demos"):** the demonstration of design and developed product functionality at the conclusion of each sprint which is intended to elicit feedback and inform future product direction, product planning, backlog grooming
- **Retrospectives:** the regular collection of feedback from project team members on how to improve processes and project outcomes going forward

Product Support, wherein software products deployed for field use are assessed and improved periodically to fix reported bugs, patch security vulnerabilities, upgrade versions of underlying software frameworks, pay down technical debt, perform additional testing automation, improve efficiency, refactor code, collect feedback, and make the product more maintainable and usable. The team continues to follow the approach of maintaining and working from the product backlog as in the Product Delivery phase above. The team is also available to provide code review and technical advisory services to the customer's in-house team within the contracted capacity.

3. Objective

Through this engagement, Caravel Labs proposes to support the Client with developing a newly imagined application for supplier transparency and product component sourcing with the following goals in mind:

- Provide a compelling demonstration of the solution concept and capability to potential customers and investors, focusing on the following:



- Supplier compliance attestations recorded to an immutable, irrefutable public ledger system
- Integration of supplier attestations with WingTip Toys’ existing purchase order and vendor requisition system
- A publicly accessible website or tool for retrieving supply chain sustainability data for a product based on serial number
- Create the initial infrastructure and framework for a future engineering team to continue to deliver on an app experience for multiple platforms.

While the developed application is not expected to be ready for deployment to a production environment, it is intended to provide a starting point for future development and to enable the Client team to attract new impact investors by demonstrating their vision for the future.

No other specific deliverables are in-scope unless mutually agreed-upon by the Client and Caravel Labs and recorded in writing whenever reasonably possible. Additional project deliverables and milestones are to be determined jointly by Caravel Labs and the Client in order to best achieve the ongoing objectives of the customer related to this project.

4. Project timeline

The accomplishments of this engagement are constrained by schedule and effective use of the assigned team members. Project success will rest on the joint responsibility of all parties to find the most elegant implementation solutions in order to achieve the project objective.

a. Delivery period

The project shall begin on January 1, 2022, or the date Caravel Labs begins providing services, whichever is earlier. The project shall end 4 weeks after the start date or the date Caravel Labs concludes providing services, whichever is later.

b. Sprint schedule

The project will be executed in a series of development periods called “Sprints”. Sprints are typically two weeks in length and require certain specific participation from the Client in order to conclude successfully.

The following schedule indicates our expected sprint plan and will be revised on an ongoing basis during regular backlog and sprint planning sessions conducted jointly by Caravel Labs and the Client.

SPRINT	WEEK	EXPECTED FOCUS AREA	CLIENT PARTICIPATION
0	1	<ul style="list-style-type: none"> • Design thinking and release planning workshop • Implementation of continuous delivery pipeline 	<ul style="list-style-type: none"> • Active participation by users and stakeholders in backlog planning • Input from technical stakeholders on environment setup and deployment preparation

1	2	<p>Iterative and incremental development period.</p> <p>Each week:</p> <ul style="list-style-type: none"> • Prototyping and usability testing for upcoming backlog items 	
2	3	<ul style="list-style-type: none"> • Solution development and implementation • Product demos to all project stakeholders • Backlog planning for next sprint • Evaluate retrospective learnings from previous sprint 	<ul style="list-style-type: none"> • Active participation by users and stakeholders in sprint reviews, backlog planning, and usability testing
3 (Stabilize)	4	<ul style="list-style-type: none"> • Address outstanding defects and critical user feedback • Perform final production deployment • Conduct training and create documentation within the constraints of the team capacity and schedule 	<ul style="list-style-type: none"> • Active participation by users and stakeholders in usability testing and defect reporting • Input from technical stakeholders on final production deployment

Table 1: Project phases

c. Support period

After the conclusion of the final sprint, Caravel Labs will provide final copies of any Software materials developed during the course of the project to the Client. Any additional changes, enhancements, or defect remediation in the final copy of the Software are outside the scope of this agreement.

5. Project staffing

Caravel Labs and the Client each agree to provide adequate staffing resources to support the successful execution of this SOW.

For the roles in Table 3 below, each party agrees to coordinate the availability of a well-qualified individual at the indicated level of time commitment. Together, all roles for which Caravel Labs is responsible shall constitute an appropriately skilled development team which can fulfill the project vision and objectives, in close coordination with the Client.

ROLE	DESCRIPTION	TIME COMMITMENT	RESPONSIBILITY
Product owner	The product owner is responsible for defining and prioritizing project objectives in the form of the product	Up to 1 day per week, potentially	Wingtip Toys



	backlog. They must provide enough information for the development team to continue working uninterrupted and be responsible all decisions made about what functionality to build and when. This person is responsible for coordinating and communicating product decisions to all stakeholders within the Client team.	spread over multiple days	
Product subject matter expert(s)	Subject matter experts are responsible for lending input into the direction of the product. These persons are usually direct end-users of the developed product. They are also responsible for reviewing and providing feedback on the product as it is built and evolves.	Up to 1 day per week, potentially spread over multiple days	Wingtip Toys
Architect / engineering lead	The engineering lead manages the overall technical approach and architecture for the solution. This person works with the development team to help them execute this vision and with the process coach and product owner to clarify the product backlog.	2 days/week	Caravel Labs
Consulting engineer	Consulting engineers are responsible for the design, implementation, and quality assurance of the solution.	5 days/week	Caravel Labs
Usability engineer	Usability engineers are responsible for the research, design and testing of the user experience as well as the design of the user interfaces in accordance with the required user experience.	2 days/week	Caravel Labs

Table 3: Project staffing matrix

Time sheets for Caravel Labs roles will not be provided to the Client unless previously requested and agreed upon.

Caravel Labs staff reside in several legal jurisdictions around the world and observe local legal holidays. Caravel Labs staff are also entitled to take vacation leave, sick leave, and other forms of time off. Vacation leave of project staff will be reasonably coordinated and notified to the other party to the extent possible. Caravel Labs and the Client agree that the billing rates will be not discounted due to time off taken by Caravel Labs staff during the project. In the event of extended continuous periods of time off (over 2 business days) by Caravel Labs staff, Caravel Labs will make every effort to replace the impacted staff or otherwise compensate for their absence.

The staffing structure of the team may change over time with the agreement of both parties and made in writing whenever reasonably possible.

6. Items out of scope

The following items and activities are out of scope for the delivery of this SOW:

- Security, penetration, performance, or load testing of solution components, unless specifically agreed upon and prioritized in the form of product backlog work items
- Procurement of technology, software, or hardware for Client environments
- Design or implementation of the Client's server infrastructure or other hardware, whether physical or virtual
- Travel arrangements and travel-related expenses for employees and agents of the Client

7. Obligations of the Client

The Client is an important member of the product design and development team and as such, agrees to dedicate significant time to collaborating with Caravel Labs on key activities including, but not limited to:

- Product planning
- Backlog grooming
- Iteration reviews
- Retrospectives

In this highly collaborative process, the Client agrees to provide timely and relevant responses to inquiries from the Caravel Labs development team and to attend all regularly meetings such as those discussed above, status meetings, and other meetings as agreed upon by the parties.

The Client also agrees to designate a specific single person to serve as the "Product Owner" as described in Project staffing.

8. Fee and payments

Caravel Labs will invoice the Client according to the following schedule. To provide the greatest degree of price predictability, Caravel Labs will bill the actual amount shown in Table 4 below plus any reimbursable costs as described in Section 9 below. Caravel Labs does NOT bill based on hourly rates. The project staffing commitment is described in Section 5 above.

	BILLED AFTER	AMOUNT
Deposit	Execution of this agreement	USD 19,000
Delivery	Project completion	USD 19,000
	TOTAL	USD 38,000

Table 4: Billing fee schedule

9. Other costs

a. Reimbursable expenses

Caravel Labs will bill the customer for addition costs and expenses which we incur on behalf of or in service to the Client. These additional expenses will be reasonably necessary to facilitate the completion of the work scoped in this document. Such costs may include:

- Travel-related costs for travel by the Caravel Labs personnel performed with the Client's approval
 - Travel costs and procedures will be carried out according to the Company's corporate travel policies including costs, rates, and classes of service comparable to those used by the Company's internal travel
 - Travel must be approved in advance by the Client, in writing whenever reasonably possible; such approval shall not be unreasonably withheld when it is in the best interest of the project's success
- Rental of meeting and event space, logistics, and services when required for the expressed purpose of project business and collaboration and when approved, in advance, by the Client
- Software and technology procurement beyond the scope of those items typically necessary for development and testing purposes
- Costs of any software or technology which are borne by the Company but intended for use in a Client environment
- Costs of any software or cloud technology required for a development or testing and not listed explicitly in section b below

b. Non reimbursable expenses

The following costs and expenses incurred by the Company will not be reimbursable by the Client and will be borne by the Company:

- Personal computers used for development and testing purposes by Caravel Labs employees and contractors
- Day-to-day supporting IT technology for Caravel Labs employees such as email, telephone, mobile phone, videoconferencing services, and office productivity software
- Cloud computing resources used for development and testing only by Caravel Labs employees provided by the following service providers:
 - Microsoft Azure
 - Microsoft 365 Productivity Suite
 - Amazon Web Services
 - Google Cloud Platform
- Source code and work management software used for the project and selected at the discretion of Caravel Labs such as, but not limited to Microsoft Azure DevOps and GitHub Enterprise
- Continuous testing and delivery software used for non-production environments owned and controlled by Caravel Labs used for the project and selected at the discretion of Caravel Labs



10. Project points of contact

The following individuals shall be available to the project on an as-needed basis.

ROLE	INDIVIDUAL	PARTY & TITLE
Project sponsor	Susan Brown	VP of Sourcing, Wingtip Toys
Project delivery manager	Ashu Chatterji	CEO, Caravel Labs

Table 5: Additional points of contact

11. Master Services Agreement

The Master Services Agreement (“Agreement”) executed in connection with this SOW is incorporated herein by reference and its terms will govern our relationship with one another. In the event of a conflict in terms between the Agreement and this SOW, this SOW shall govern as to the conflicting term, and the remainder shall be governed by the Agreement.

Signature page follows.



Caravel Labs, Inc.
450 Alaskan Way S Suite 200
Seattle, WA, USA 98104

info@caravellabs.com
www.caravellabs.com

Client
Wingtip Toys, LLC

Signature

Date

Name

Title

Service Provider
Caravel Labs, Inc.

Signature

Date

Name

Title