

TERMS AND CONDITIONS

Non-Disclosure Statement

This proposal document is a confidential engineering proposal from Outbound Technologies, Inc. (“OTI”) to the Customer specified in the attached proposal. (“Customer”). Only for purposes of Customer indemnifying OTI in these terms and conditions, OTI shall include all current and former employees, subcontractors, officers, and shareholders collectively.

- This proposal document has been prepared expressly for Customer and shall not be duplicated or used in whole, or in part, for any purpose other than the evaluation for the purchase of the equipment proposed in this document.
- This proposal document shall not be disclosed to anyone, other than the person(s) for whom this was prepared without the express written consent of OTI.
- It is OTI’s policy to protect all confidential and sensitive information concerning Customer’s products and processes, and to confine detailed distribution of this information to people within OTI on a need-to-know basis.
- All written material, photographs and videotape material of an inherently confidential nature will remain within OTI unless specific authorization is obtained from Customer to use it for other purposes.
- All Customer part prints, and confidential documents will be recorded upon receipt and returned upon the completion of the project if requested.

Mutual Non-Disclosure Agreement

This proposal document constitutes a mutual non-disclosure agreement between OTI and Customer but will be superseded by any signed non-disclosure agreement on file for both parties.

Applicability of Terms and Conditions

These terms and conditions are applicable to any work done for Customer by OTI and shall be effective once Customer permits OTI to begin such work. OTI hereby rejects any contrary terms and conditions of Customer.

Warranty

- All warranty items listed below apply to fixed price quotations. Warranty items for hourly services (time-and-materials) will be agreed in writing. In the absence of such a written agreement, OTI provides no warranty for hourly services.
- Deliverables not created by OTI are warranted only to the extent of the express written warranties of the manufacturer(s) of such items delivered to Customer by OTI as a part of the project. The original manufacturer’s warranty will be maintained for major system components not manufactured by OTI (e.g. computers, printers, PLC’s, cameras, and components thereof). These items are per the original manufacturer’s duration and terms, and as such there are no explicit or implied warranties by OTI.
- Unless a different warranty period is specified in the proposal, for a period of one (1) year from the completion of project, OTI warrants to Customer that all services will be performed in a workmanlike manner consistent with current and generally recognized standards in the industry. Completion is defined as the earliest of the following:
 - The time the system is placed into service, or able to be placed into service.
 - When the end user has signed off on the system or accepted ownership (i.e. beneficial occupancy).
 - When all services as detailed in this proposal have been completed not withstanding any change orders or additions to the base project.
- In no event will OTI be responsible for: (a) any modifications to any services or deliverables made by anyone other than OTI; (b) damages caused by misuse, improper operation or improper or insufficient maintenance of any services or deliverables; (c) normal wear and tear; (d) any data loss or corruption or personal information data breach; or (e) any alleged defects in any services or deliverables that arise from OTI’s compliance with designs or other criteria or requirements provided by or through Customer. OTI MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND ANY OTHER WARRANTIES (INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE/AGAINST INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE) ARE EXPRESSLY DISCLAIMED BY OTI TO THE FULLEST EXTENT PERMITTED BY LAW.
- Moving systems to another site within a facility or to another location without specific permission from OTI will void the warranty.
- Software upgrades performed on the OTI-provided computer workstation (e.g., adding word processors, image editors, etc.) not authorized by OTI will void the warranty.
- In the event OTI is called to a system site, ostensibly as a warranty matter, on an OTI-supplied design, because the system is performing outside of specification, and OTI conclusively determines that the out of specification system performance is due to changes to the programming or related parameters, changes effected by some entity other than OTI or any other non-warranted cause, then this is not a warranty matter, and OTI will be compensated for services to place the system back into specification, per the OTI Schedule of Fees in place at that time.
- In the event of a control system malfunction or a control system operation outside of specification, this malfunction or miss-operation effected by changes to programming or related parameters, by some entity other than OTI, that results in damage to facilities or equipment, or injury or loss of life to human beings, the Customer agrees to indemnify, hold harmless and defend OTI against any liability, responsibility, losses or costs of any nature or in any form, including, but not limited to, reimbursement of OTI’s attorneys fees and expert expenses.
- Modifications to any OTI-supplied programming, including Programmable Controller ladder logic, Personal Computer based applications, Operator Interface configurations, PID loop parameters, and any other aspect of systems software, by any entity or person other than OTI, shall void any warranty.
- In the event Customer believes OTI owes a warranty obligation applicable to the services or deliverables, or has otherwise failed to comply with any other contract obligation, it must notify OTI in writing within 20 days of its discovery of such obligation and in no event later than 90 days after completion of the applicable services or deliverables. If OTI owes a warranty obligation, it will promptly commence to remedy and cure such default upon receipt of such notice from Customer at OTI’s own cost and expense or, at OTI’s option, will refund to Customer the portion of the compensation paid for any defective services or deliverables. Such performance by OTI is Customer’s sole and exclusive remedy in the event of a warranty obligation of OTI or any other failure of OTI to comply with its contract obligations.

Reverse Engineering / Protected Intellectual Property

Customer represents to OTI the following:

- To the extent this engagement is for design engineering services, specifically related to physical measurements of an existing machine, fixture or process system, for the specific purpose of developing engineering drawing documents, BOM (Bill of Materials) for fabricated part(s) and assemblies, as well as purchased component(s) for Customer's use, this is commonly referred to or termed as a 'Reverse Engineering' project engagement. Customer is advised that many products, components, machines, fixtures, or process systems may already contain or possess patented or patent-applied-for features owned or licensed by the OEM (Original Equipment Manufacturer). Therefore, as a condition of any Reverse Engineering engagement, it is understood that Customer bears total and complete responsibility to obtain necessary authorizations, licensing, rights and/or permissions related to all intellectual property (IP), trade and/or process secrets, patent-applied-for and/or patented features of the equipment presented to OTI as a condition of this project engagement, and Customer agrees to indemnify, hold harmless and defend OTI against any liability, responsibility, losses or costs of any nature or in any form arising from such engagement, including, but not limited to, reimbursement of OTI's attorneys fees and expert expenses.
- OTI retains all rights, title and interest in its services and deliverables, including patents and copyrights; however, upon payment of the agreed compensation to OTI, Customer will be deemed to have been granted a non-exclusive, non-transferable, royalty-free, perpetual license to use the services and deliverables for the purposes contemplated in this proposal, except that third-party "shrink-wrapped" software or "off-the-shelf" hardware provided through OTI will be subject to Customer's compliance, at its own costs, with all applicable manufacturer licensing requirements. Customer may not sell, sublicense, assign or transfer its license to the services and deliverables provided by OTI without the prior written consent of OTI, nor may Customer reverse engineer or make derivative works from the services or deliverables.

Additional Hold Harmless and Indemnification Requirements / Pre-Existing Conditions and Re-Use

To the fullest extent permitted by law, Customer shall further indemnify, defend (at Customer's sole expense) and hold harmless OTI, its subcontractors, and its consultants, and any of their partners, joint ventures, representatives, members, designees, officers, directors, shareholders, employees, agents, successors, and assigns from and against any and all claims for bodily injury, death or damage to property, demands, damages, actions, causes of action, suits, losses, judgments, obligations and any liabilities, costs and expenses (including but not limited to investigative and repair costs, attorneys' fees and costs, and consultants' fees and costs) to the extent arising from Customer's obligations to maintain the health and safety of its premises, facility, equipment, fixtures, practices and procedures, employees, agents, and independent contractors, or to the extent arising from the pre-existing or existing conditions of the Customer's premises, facility, equipment, fixtures, or practices and procedures, or to the extent arising from Customer's re-use or modification of any OTI work or design without OTI's approval.

Cybersecurity

Outbound's scope of work does not include creating, modifying or ensuring compliance with Customer's cybersecurity policies. Although Outbound will not intentionally violate Customer's cybersecurity policies or intentionally cause a security breach of Customer's systems, Customer acknowledges that Customer is responsible for the creation, implementation, enforcement and adequacy of its cybersecurity policies and that Customer retains the risk of data theft or destruction and the impacts of malware and ransomware, whether arising from Outbound's work or access to Customer's systems or otherwise. Customer will have Outbound's work reviewed and approved at appropriate times by Customer's information technology (IT) and operational technology (OT) personnel to ensure that any cybersecurity policies (such as connectivity availability and monitoring, multi-factor authentication, data import/export screening, network segmentation, and unescorted user screening, training and monitoring) implemented at Customer's direction are sufficient to adequately protect Customer's systems from improper access or use. In accordance with the foregoing, to the fullest extent permitted by law, Customer shall defend, indemnify and hold harmless Outbound and its subcontractors, agents and employees from and against all claims, losses, and expenses of any nature, including but not limited to reasonable attorneys' fees, arising out of or related to any actual or alleged improper access to or use of Customer's systems, except to the extent the relevant security breach was determined to be caused solely by Outbound's intentional improper access or use of Customer's systems.

Export Restrictions

Customer acknowledges that the services and deliverables may be subject to export and use restrictions under applicable law, including Export Administration Regulations maintained by the United States Department of Commerce. Customer agrees to comply with all such requirements and to hold OTI harmless from any violations of such requirements.

Force Majeure

In the event that performance of the services and/or delivery to Customer of the deliverables is delayed by circumstances beyond the reasonable control of OTI (including without limitation changes to the scope of work, delays by Customer in providing information to OTI, fire, natural disasters, civil disturbances, acts of governmental authorities, labor disputes, pandemic unavailability of labor, pandemic unavailability of materials or shipping delays), OTI will promptly notify Customer of such circumstances in writing and OTI will be granted an equitable extension of the time to meet its obligations under the proposal and, if necessary to make OTI whole, an equitable adjustment in compensation.

Termination and Suspension

If Customer fails to comply with its obligations under this proposal (including without limitation the full and timely payment to OTI), OTI may provide written notice of such default to Customer and may thereafter suspend further performance until such default is cured by Customer. When such default is cured by Customer, the amount to be paid for the scope of work will be equitably increased to account for OTI's damages arising from such suspension (including without limitation demobilization and remobilization expenses and increased costs of performance) and the time for OTI to complete the scope of work will be equitably extended to account for such suspension. If Customer fails to cure such default within 30 days of its receipt of such notice from OTI, OTI may terminate its agreement with Customer by providing written notice to Customer and in such an event, Customer will pay OTI for all portions of the scope of work performed (in whole or in part) through the date of such termination, OTI's demobilization expenses and other reasonable termination costs, the amount of expected overhead and profit OTI would have earned on the cancelled portions of the scope of work if not for Customer's default, and any collection costs incurred by OTI in obtaining payment for its services and deliverables from Customer.

If this contract is terminated by the Customer prior to completion, OTI reserves the right to invoice for labor, material, and other expenses incurred up to that point in the project, based upon the OTI Schedule of Fees agreed to at Pre-Award. Any restocking or cancellation fees levied on OTI by its suppliers, as well as a 15% administration fee will be paid by the Customer.

Dispute Resolution

In the event OTI and Customer cannot resolve any claim or dispute between them arising out of or related to this proposal or the scope of work through direct negotiations, such dispute shall be subject to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Such

arbitration proceedings will be held in New Hudson, Michigan before a single arbitrator with experience in resolving disputes arising from automation and related technology services. The prevailing party (as determined by the arbitrator) will be entitled to recover from the other party all costs incurred in resolving the dispute, including reasonable attorneys' and expert fees and the costs of arbitration. The arbitrator's award shall be final and may be entered as a judgment in any court with jurisdiction.

Assignment

Neither Customer nor OTI may assign its respective rights and obligations under their agreement without the written consent of the other party. However, OTI may subcontract or delegate its work obligations to other persons or entities, but will nonetheless be responsible to Customer for the performance of the work as required by the proposal. Both Customer and OTI agree that there are no third-party beneficiaries to their agreement.

Limitation of Liability

In no event shall OTI be liable for any incidental, special, punitive or consequential damages of any kind, including without limitation loss of use, productivity, reputation, financing, business opportunities or profits. MOREOVER, TO THE FULLEST EXTENT PERMITTED BY LAW, REGARDLESS OF THE THEORY OF LIABILITY (INCLUDING WITHOUT LIMITATION BREACH OF CONTRACT OR WARRANTY, NEGLIGENCE OR STRICT LIABILITY), IN NO EVENT WILL OTI'S TOTAL AGGREGATE LIABILITY RELATED TO THE SERVICES, DELIVERABLES OR PROPOSAL EXCEED THE AMOUNT OF COMPENSATION PAID BY CUSTOMER TO OTI FOR THE PROJECT.

Pricing, Payment and Scope

The following items apply to all proposals:

- If there is a conflict between these Terms and Conditions and the Terms laid out in the proposal, the terms in the proposal shall take precedence.
- Pricing valid for (30) days from date of proposal.
- Payment net (30) days from date of invoice.
- If this proposal is to supply goods and services as a subcontractor, Customer agrees that payment to OTI will not be delayed or based on payment to Customer by Owner.
- Payments made by Credit Card may be subject to a 4% processing fee.
- OTI reserves the right to implement periodic rate changes.

The following items apply to all proposals or parts of proposals that are identified as Fixed Price or similar:

- All changes to the Basis of this proposal which affect quantities, types, or configuration of capital equipment that impact the engineering or design responsibilities or requirements, are to be submitted in writing to OTI for prior pricing and are to be approved by Customer in writing or through its actions before changes are incorporated. In the event that OTI requests changes to the work, such changes will be effective if the Customer agrees to the change in writing or through its actions. If the agreed change results in greater or lesser cost, OTI's compensation for the work will be adjusted accordingly.
- Invoice on shipment/delivery/transmittal.

The following items apply to all proposals or parts of proposals that are identified as Time and Material or Schedule of Fees:

- Invoicing occurs every (2) weeks.
- There will be no retention money withheld or back-charges applied associated with supplied hourly services
- In purchasing hourly services, customer agrees to provide signature approval to a daily or weekly Outbound Field Report, regardless of where services are performed, said approval representing approval and acceptance of services for billing purposes.
- Warranty items will be agreed upon during receipt of order. In the absence of this agreement, OTI provides no warranty for hourly services.

General

- OTI is an independent contractor of Customer and will have sole charge over, and be solely responsible for, (a) the payment of its employees and subcontractors and (b) the means, methods, techniques and sequences used in the performance of the services and the creation of its deliverables. Both OTI and Customer assume that the industrial exemption applies to all services and the proposal, and Customer acknowledges that individuals not licensed as professional engineers may execute some or all of the services and create some or all of the deliverables.
- To the fullest extent permitted by law, during the course of the Project and for one year thereafter, Customer agrees that it will not hire or retain, or offer to hire or retain, any of OTI's employees that have been involved in the performance of the scope of work, nor will Customer otherwise induce or seek to induce, directly or indirectly, any such OTI employees to leave OTI's employment.
- This proposal will be governed by the laws of Michigan and of the United States of America (including the Federal Arbitration Act, 9 U.S.C. § 1, et seq. with respect to the parties' agreement to arbitrate any dispute arising out of or related to the proposal or the scope of work), without regard to rules governing choice or conflict of laws. Customer and OTI agree that this proposal is predominately for the performance of services, not for the sale of goods, and further agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply to their agreement.
- This proposal document constitutes the entire integrated agreement between OTI and Customer for the services, deliverables, and project. The terms of this proposal document supersede all previous and contemporaneous agreements, proposals and representations, written or oral, concerning such matters, with the exception of any non-disclosure agreements, which, pursuant to the section of this Proposal titled "MUTUAL NON-DISCLOSURE AGREEMENT," may supersede the terms of that section only. Any additional, conflicting or inconsistent Customer terms (whether set forth in a request for proposals, purchase order or acknowledgement or in any other document) are expressly rejected by OTI and are not a part of the agreement for the OTI project.
- If any term of this proposal is found to be unenforceable, the remaining terms will remain in effect. The failure of either OTI or Customer to exercise any rights under their agreement will not be deemed a waiver of such right except as agreed in writing or as otherwise set forth in these terms and conditions.