

**GWI ENGINEERING  
STANDARD TERMS OF SALE**

All sales of goods and services by GWI Engineering, Inc. (“**Seller**”) are made on the following terms and conditions. In these Standard Terms of Sale, any goods or services sold by Seller to the Buyer named in Seller’s written proposal or written acknowledgment (“**Buyer**”) are referred to below as “**goods**” and any services sold by Seller to Buyer are called “**services**.”

1. **Agreement.** If Buyer has not otherwise agreed to these Standard Terms of Sale, then Buyer’s acceptance of delivery of, or payment for, the goods or services, including progress payments, shall constitute Buyer’s agreement to these Standard Terms of Sale. Terms that are printed on or contained in the Buyer’s purchase order or other form prepared by Buyer, which are additional to, in conflict with or inconsistent with these Standard Terms of Sale shall be inapplicable and shall have no force or effect. If Buyer objects to any of the provisions of these Standard Terms of Sale, Buyer must bring such objection to the attention of Seller in a writing separate from any purchase order or other printed form of Buyer. Changes to these Standard Terms of Sales may be accepted only in writing, signed by the Seller’s Company President or CEO.

2. **Prices and Payment Terms.** Prices quoted are firm for 30 days from the date of quotation by Seller, except that Seller reserves the right to correct typographical errors. Payments are due per payment terms quote by seller.

3. **Cancellation.** Buyer agrees that in the event of cancellation, Seller is entitled to its incurred costs, including normal allocations of overhead and SG&A, and full project margins on the goods. Seller will in good faith, at its sole discretion, adjust the amount due for material and direct labor costs not incurred.

4. **Buyer Responsible Delays.** In the case of Buyer-responsible delays, Buyer agrees to compensate GWI for the following incremental costs: **Capital investment costs:** investment and costs tied up will be charged at a monthly rate of 2.5% per month, compounded. **Storage Costs** for floor space tied up at a rate of \$2.75 per square foot per month (for actual space taken up by the equipment. Note that this rate includes a factor for aisles and overhead.). **Expediting and Other costs**, as incurred.

5. **Buyer Responsible Scope Changes Requiring Additional Work** (outside of quoted Scope): If Buyer causes additional design, research, testing, experimenting, and/or concept changes GWI will inform Buyer of the additional cost in a timely fashion. GWI will not proceed with scope increases or changes without written approval and PO adjustments, if appropriate from Buyer. If Buyer delays making a timely decision and providing approval, the above extra costs for Buyer-responsible delays will be assessed and must be paid prior to additional work by GWI.

6. **Late or Delayed Payments:** For late payments, once the agreed payment terms (timing) have passed, Buyer agrees to pay late payment penalty at a monthly interest rate of 2.5% each month against the outstanding balance due.

7. **Solvency and Security Interest:** Buyer represents that Buyer is solvent. In the case of late or delayed payments, Seller may require advance payment or may ship C.O.D, and/or may withhold shipments on orders at its sole discretion. Seller retains title to the goods until the invoiced price is fully paid in immediately available funds. Seller retains and Buyer grants a security interest in the goods and all proceeds to secure payment of the price and all other indebtedness now and in the future owing by Buyer to Seller.

8. **Dispute Resolution and Failure to Comply:** In the case of disputes, Seller will work with Buyer in good faith to arrive at a fair resolution. However, if after 60 days of delinquency, a reasonable resolution cannot be worked out, Seller reserves the right, to dispose of the equipment using a local broker and pursue collections from Buyer for any balance still owed under the Purchase Order including the Terms contained herein, plus all attorney and additional collection expenses and fees.

9. **Installations:** Buyers will allow reasonable availability of facilities, equipment, floorspace, and support during business-days and weekends or holidays as mutually agreed for installation. Unless otherwise quoted, Seller assumes work will be completed on business days, not weekends or holidays. Weekend and/or holiday installations will result in premium charges. No work will be scheduled until Purchase Orders are issued and progress payments, if any, are fully paid.. Buyer understands that any delay in issuance of Purchase Orders might drive substantial delivery/installation/launch costs and delays.

10. **Delivery and Risk of Loss.** Unless Seller agrees otherwise in writing, Seller shall deliver the goods at Seller’s facility in Grand

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Rapids, Michigan from which the goods will be shipped. Risk of loss shall pass to Buyer upon delivery, as stated above, or movement to storage, if required. Shipping, delivery, and performance dates are estimates only, calculated from the date of receipt of Buyer's order and approval of complete drawings, specifications, designs, samples, and other information reasonably requested by Seller to manufacture the goods and perform the services. Time(s) of delivery, debug, and launch is(are) not of the essence. Seller shall not incur any liability, direct or indirect, nor shall any order be canceled because or as a result of any delays in meeting such dates or schedules. Seller reserves the right to recalculate any projected shipping, delivery, or performance dates upon receipt of Buyer's order. Seller may ship all the goods at one time or in portions from time to time. Seller shall have the right to determine the method of shipment and routing of the goods, unless otherwise stated in Seller's quotation or written acknowledgment. The quoted delivery time and schedules depend upon prompt agreement on complete definition of the detailed scope of supply and receipt of information, including design data, drawing approval and manufacturing release according to the established project schedules. Delays by the Buyer in providing such agreement or information may result in an appropriate adjustment of the Agreement in accordance with the section contained herein.

11. **Sample Parts.** Buyer Agrees to provide a sufficient quantity of production parts for system development and tryout. These parts will generally not be returned to Buyer. Sample parts must be representative of standard production dimensional variation. Dimensional and/or geometrical deviations from part print may cause malfunction of equipment and such deviations shall void Seller's warranty provided below. Buyer is responsible for transport of all sample parts. Parts not to specification, may result in additional charges.

12. **Taxes and Duties.** Seller's price does not include any privilege, occupation, personal property, value-added, sales, excise, use or other taxes, or any tariffs or customs duties, and Buyer shall be liable for all such taxes and duties.

13. **Unavoidable Delay.** If Seller is not able to finish and deliver the goods to Buyer, or to perform the services, on time because of anything Seller cannot control (including but not limited to casualty, labor trouble, unavailability of supplies or transportation, Buyer's failure to approve production samples, fire, flood, governmental act or regulation, riot, terrorist act, equipment or power failure, unscheduled maintenance, accident, or act of God), then the estimated delivery or performance time shall be extended accordingly, and Seller shall not be liable to Buyer for any damages caused by the delay.

14. **Changes.** Seller shall have the right to make design or engineering changes in its parts, equipment, processes, and methods of production of the goods or performance of the services, but Seller will not make any changes in operational or dimensional specifications that Buyer submits, unless otherwise agreed upon by Buyer and Seller. Buyer may request changes in the scope of the goods and services and, if accepted by Seller, the price, schedule, and other relevant parts of the Agreement shall be Agreed, in writing, by the parties prior to planning or executing the change(s). Typographical and/or other errors in quotations are subject to correction.

15. **Use of Images and Videos.** For the purpose of Seller's advertising and promotion, Seller has the right to obtain and use images and videos of any and all products, systems, components, parts, and/or programs designed and/or produced by seller. Seller will make a reasonable effort to, when possible, avoid or minimize depictions of Buyer's company name, brand name(s) and/or advanced production parts (prior to public introduction/release).

16. **Warranty.** Seller will provide a replacement for any item manufactured by Seller that has been properly installed and properly used, except for tooling or other natural wear items, proven to be defective within 1 year.

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