

## Terms and Conditions

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### 1. Payment Terms

- 1.1. Payment schedule is listed in the Estimate or Invoice.
- 1.2. If Steinbrink Engineering is ready to deliver on the committed delivery date and the Customer is not ready to receive deliverables, the remaining amount is still due at the committed delivery date.
- 1.3. Late payments will be subject to a 5% per month finance charge based on the original Invoice amount, starting the day after the committed delivery or end of phase as described in the Estimate or Invoice.

### 2. Shipping Terms

- 2.1. Shipping charges are not included in the Estimate or Invoice unless spelled out in the Special Terms section
- 2.2. Steinbrink Engineering will not be held responsible for any damages, losses, or other charges associated with the shipping of an item.

### 3. Scope Changes

- 3.1. For any alterations or deviations from the above scope that significantly impact the cost or timing of the project, a Steinbrink Engineering Manager and the customer must agree upon a scope change. This scope change will consist of a detailed description of the change that is required and all cost and timing impacts to the project.
- 3.2. Steinbrink Engineering may charge for any rework necessary to prior designs
- 3.3. No changes will be implemented until both Steinbrink Engineering and the customer agree on the details of the change, and written notification from the customer is received for changes under \$1,000.00 or a purchase order is received (or original purchase order amended) for changes over \$1,000.00.

### 4. Solicitation of Employees

- 4.1. Whereas Steinbrink Engineering regards its employees as valuable assets of the organization, it is expected that the client will in no way solicit for hire or consulting services outside of Steinbrink Engineering contracts without written authorization from a duly authorized representative of Steinbrink Engineering for a period of at least one (1) year following termination of said employee from Steinbrink Engineering.

### 5. Returns

- 5.1. All products and services described herein or within the Estimate or Invoice are sufficiently unique to prohibit any return for full or partial credit, unless specifically stated otherwise in the Special Terms section.

### 6. Dispute Resolution

- 6.1. In the case of a legal dispute between Purchaser and Seller, an Alternative Dispute Resolution (ADR) system shall be devised and enacted prior to litigation in a court of law, but only after a period of negotiation, with the Seller represented by the president and vice-president and the Purchaser represented by two persons with authority to make legally binding decisions for the Purchaser, in which an attempt shall be made to settle the dispute. This negotiation shall begin within one month of the initial Notice of Legal Dispute. All settlements agreed upon in the negotiations shall be final and binding.
- 6.2. If a settlement cannot be reached in the aforementioned negotiation within two months, a neutral third party shall be appointed by the Seller and agreed to by the Purchaser to assist the Purchaser and Seller in planning the actual ADR system. If a neutral third party cannot be agreed upon, the American Arbitration Association shall appoint one.
- 6.3. The planning shall include choosing the form of ADR to use, the rules and format of the proceeding, and the extent of fact-finding before the proceedings begin. Disagreements between Purchaser and Seller in the planning of the ADR system shall be settled by the neutral third party. The proceedings shall be private and confidential and used for no other purpose but to settle the dispute. The neutral third party shall be private and confidential and used for no other purpose but to settle the dispute. The neutral third party may be involved in the ADR proceedings, if agreed to by the Purchaser and Seller.
- 6.4. All settlements whether partial or full, between Purchaser and Seller agreed upon in the ADR proceedings shall be final and binding. If the ADR proceedings fail to settle the dispute within one year from the date of the initial Notice of a Legal Dispute, Purchaser or Seller may initiate litigation in a Court of Law. The costs of the neutral third party shall be shared equally by both Purchaser and Seller. Steinbrink Engineering reserves the right to include a remote disable, or sunset clause feature in the software that may be enabled in a case of late/non-payment.

### 7. Intellectual Property Rights

- 7.1. Steinbrink Engineering does not claim any intellectual property of the Customer pertaining to the Customer's original design.
- 7.2. If a novel design (patent, trademark, or copyright) is created by Steinbrink Engineering during the development of the Customer's product, Steinbrink Engineering owns 50% of the intellectual property, whether patent, copyright, or trademark.

7.3. If the Customer intends to pursue a patent, copyright, or trademark based on the design of Steinbrink Engineering's work, the Customer will be financially responsible for registering the intellectual property.

#### **8. Warranty**

- 8.1. Steinbrink Engineering products are warranted against defects in materials and workmanship for a period of one year for Production Products. No warranty is expressed for Prototype Products.
- 8.2. If a defect is found in a commercially available subcomponent of a Steinbrink Engineering Prototype Product or Production Product, and an Original Equipment Manufacturer (OEM) warranty is still valid for the defected subcomponent, Steinbrink Engineering will replace the defected component at the standard labor rate for Prototype Products assembly or Production Products assembly, whichever is appropriate.
- 8.3. It is the Customer's responsibility to validate whether a subcomponent has failed in a Steinbrink Engineering Prototype Product or Production Product. Steinbrink Engineering may provide diagnostics services to ascertain the cause of malfunction of a Prototype Product or Production Product at the cost of the Customer.
- 8.4. Steinbrink Engineering reserves the right to either repair or replace the components found to be defective.
- 8.5. The Customer shall not modify the physical hardware, firmware, or software without the permission of Steinbrink Engineering, otherwise any malfunction caused by the modification will void the warranty.
- 8.6. Upgrades or updates to peripheral devices such as computers, smartphones, Bluetooth devices, etc. that connect and/or interact with a Prototype Product or Production Product shall be discussed with Steinbrink Engineering before performing the upgrade or update due to possible compatibility issues. Any complications arising from the upgrade or update of a peripheral device, without consultation with Steinbrink Engineering, resulting in the malfunction of a Prototype Product or Production Product will be the responsibility of the Customer.
- 8.7. The warranty given by Steinbrink Engineering begins at the committed delivery date.
- 8.8. If a warranty claim is found to be valid, the malfunctioning item must be returned to Steinbrink Engineering for analysis, repair, or replacement.
- 8.9. Limitations of Warranty
  - 8.9.1. Improper or inadequate maintenance by Customer;
  - 8.9.2. Customer supplied software, hardware, or interfacing;
  - 8.9.3. Operation outside of the environmental specifications of the product;
  - 8.9.4. Unauthorized modification or misuse, including but not limited to the disassembly of a Production Product in the attempt to perform diagnostics or troubleshooting;
  - 8.9.5. Lack of proper implementation by Customer of Steinbrink Engineering recommendations or other forms of negligence with respect to corrective service actions;
  - 8.9.6. Warranty service will not be provided where commissioning of Steinbrink Engineering Production Product is required, but had not yet been performed.
- 8.10. The warranty set forth above is exclusive and no other warranty, whether written or oral, is expressed or implied. Steinbrink Engineering specifically disclaims the implied warranties of merchantability and fitness for such purpose.

In no event, regardless of cause, shall Seller assume responsibility for or be liable (a) for penalties or penalty clause of any description, or (b) for indemnification of customer or others for costs, damages, or expenses each arising out of or related to the goods or services of this order or for certification unless otherwise specifically provided herein or (c) for indirect, incidental, special, or consequential damages under any circumstances including any loss, injury or damages. Seller's maximum liability, including direct damages, shall not exceed the amount of the purchase order. This limitation of Seller's liability will apply regardless of the form of action, whether in contract or tort, including negligence.

The remedies provided herein are customer's sole and exclusive remedies. Unless required by applicable law, in no effect shall Steinbrink Engineering be liable for direct, indirect, special, incidental or consequential damages (including loss of profits) whether based on contract, tort or any other legal theory.

#### **9. Special Terms**

- 9.1. Any terms included in this section will override the terms listed above.