

NOVARA SENSING CORP.

STANDARD TERMS & CONDITIONS OF SALE AND SERVICE (v1.1)

Effective: 01 March 2026

These Standard Terms and Conditions of Sale and Service (“Terms”) govern all quotations, proposals, orders, and contracts (“Contract”) between Novara Sensing Corp. (“Seller”) and its customers (“Buyer”). They apply to the sale of hardware, software (perpetual or subscription), rental equipment, and on-site or off-site services provided by Seller.

1. Definitions

The following defined terms apply throughout these Terms:

“Proposal” means Seller’s written quotation or offer specifying Deliverables, pricing, delivery schedule, and assumptions.

“Order” means Buyer’s acceptance of a Proposal by written confirmation, purchase order, or signature.

“Contract” means the binding agreement formed by Seller’s acceptance of an Order under these Terms.

“Products” means any hardware, embedded software, or related goods supplied under a Contract.

“Software” means any licensed computer program, firmware, or digital product supplied under a Contract, including both perpetual and subscription licenses.

“Services” means professional, field, or technical services provided by Seller.

“Rental Equipment” means equipment provided on a temporary rental basis under a specified Rental Period.

“Deliverables” means all Products, Software, Services, and Rental Equipment collectively.

“Commencement Date” means the date specified in the Proposal as the start of work or service.

“Specification” means Seller’s written technical or performance description of a Product or Service.

2. Prices and Payment

2.1 Prices are as specified in the Proposal. Unless otherwise stated, prices are exclusive of taxes, duties, and shipping.

2.2 Buyer shall pay invoices within 30 days from the invoice date. Seller may invoice progress payments as work progresses.

2.3 Late payments accrue interest at 1.5% per month or the maximum permitted by law. Seller may suspend work for nonpayment.

2.4 If Buyer delays delivery or performance for reasons not attributable to Seller, Seller may adjust pricing to reflect increased costs.

2.5 All payments are due without offset or deduction. Buyer shall gross-up for any applicable withholding taxes.

3. Delivery, Title, and Risk

3.1 Delivery dates are estimates. Seller is not liable for delays beyond its control.

3.2 Risk of loss passes to Buyer upon shipment (Incoterms EXW Seller's facility). Title passes upon full payment.

3.3 Seller retains ownership of Products until full payment is received. Buyer shall insure Products at full replacement value.

4. Software License

4.1 Seller grants Buyer a non-exclusive, non-transferable license to use the Software for its internal operations.

4.2 Buyer shall not reverse engineer, decompile, or distribute the Software except as permitted by law.

4.3 License term and scope are as specified in the Proposal. Buyer may make one backup copy for archival purposes.

4.4 All intellectual property rights remain vested in Seller or its licensors.

5. Services and Buyer Cooperation

5.1 Seller will perform Services in a professional and workmanlike manner, consistent with generally accepted industry standards, using reasonable skill and care. Services are advisory and technical in nature and do not guarantee any particular result, outcome, or performance level.

5.2 Buyer shall provide reasonable access, data, and facilities required for Seller's performance.

5.3 Failure by Buyer to provide cooperation shall relieve Seller of delay-related liability.

5.4 Seller shall be entitled to rely on the accuracy and completeness of all information, data, specifications, site conditions, and assumptions provided by or on behalf of Buyer. Seller shall have no responsibility or liability for errors, delays, or deficiencies arising from inaccurate, incomplete, or misleading information supplied by Buyer or third parties.

5.5 Buyer retains sole responsibility for all decisions, actions, and implementations made in reliance on the Services. Seller does not assume control over, or responsibility for, Buyer's operations, safety practices, regulatory compliance, or business decisions.

5.6 Services are limited strictly to the scope expressly described in the applicable Proposal. Any services outside such scope shall constitute additional services and require Seller's prior written approval, including agreement on any adjustment to fees and schedule.

5.7 Unless expressly stated in the Proposal, Services do not include legal advice, regulatory

certification, safety assurance, or compliance determinations, and Seller makes no representation that Deliverables comply with any law, regulation, or standard.

6. Rental Equipment

- 6.1 Rental duration, fees, and conditions are defined in the Proposal.
- 6.2 Title remains with Seller; risk transfers to Buyer upon shipment.
- 6.3 Buyer shall maintain insurance covering loss or damage equal to replacement value.
- 6.4 Upon termination or end of rental, Buyer shall return equipment in good condition, normal wear excepted.

7. Acceptance

- 7.1 Buyer shall test Deliverables within seven (7) days of delivery and notify Seller of nonconformities.
- 7.2 If no notice is given within seven (7) days, or Buyer uses the Deliverables operationally, acceptance is deemed complete.
- 7.3 Seller will use reasonable efforts to correct nonconformities within thirty (30) days of notice.
- 7.4 Services shall be deemed accepted upon delivery of the applicable Service Deliverables or completion of the Services, unless Buyer provides written notice of material nonconformity within seven (7) days thereafter.

8. Warranty

- 8.1 Hardware Warranty: 12 months from delivery. Seller will repair, replace, or refund at its discretion.
- 8.2 Software Warranty: 12 months from Commencement Date; Seller warrants conformity to Specification.
- 8.3 Services Warranty: Re-performance of nonconforming work or refund of corresponding fees shall be Buyer's exclusive remedy for nonconforming Services.
- 8.4 Rental Equipment Warranty: Valid for rental term; Seller repairs or replaces defective items.
- 8.5 Exclusions: Warranty void for misuse, modification, or third-party integration without Seller approval.
- 8.6 Except as expressly set forth herein, Seller disclaims all implied warranties with respect to Services, including any implied warranties of merchantability, fitness for a particular purpose, or results.

9. Limitation of Liability and Indemnification

- 9.1 Neither party is liable for indirect, consequential, or punitive damages.
- 9.2 Seller's total aggregate liability shall not exceed 125% of the total Contract value.
- 9.3 Seller's liability for property damage to tangible items is capped at \$250,000 per event.

9.4 Nothing herein limits liability for death, personal injury, or fraud.

9.5 Buyer shall indemnify Seller against claims arising from misuse, export violations, or hazardous operation.

9.6 Seller shall not be liable for claims arising from Buyer's implementation or reliance on advisory opinions, analyses, or recommendations provided as part of the Services.

10. Export Control and Defense Compliance

10.1 Buyer shall comply with all applicable U.S. export control and defense trade laws, including ITAR and EAR.

10.2 Buyer shall not transfer Deliverables to prohibited entities or jurisdictions.

10.3 Buyer represents that Deliverables will not be used for any military or nuclear application without written authorization.

11. Health, Safety, and Security

11.1 Buyer shall ensure all personnel using laser or high-voltage equipment are properly trained.

11.2 Buyer indemnifies Seller for injuries or damage caused by untrained or negligent operation.

11.3 Seller personnel on Buyer's site will comply with all safety rules while under Buyer's supervision.

11.4 Seller may suspend Services without liability if Seller reasonably determines that site conditions are unsafe, non-compliant, or unsuitable for performance, and Buyer shall remain responsible for any resulting delay or additional cost.

12. Intellectual Property and Infringement

12.1 Seller retains all IP rights to its Products, Software, and Deliverables.

12.2 If a third party alleges infringement, Seller may (a) obtain continued use rights, (b) modify to be non-infringing, or (c) refund affected fees.

12.3 Seller retains all right, title, and interest in its pre-existing intellectual property, methodologies, tools, processes, and know-how used or developed in the course of performing Services. Buyer is granted a non-exclusive, non-transferable license to use Service Deliverables solely for its internal purposes, unless otherwise stated in the Proposal.

13. Confidentiality

13.1 Both parties shall protect confidential information for five (5) years from disclosure.

13.2 Disclosure is permitted only to employees with a need to know or as required by law.

14. Termination

14.1 Either party may terminate for material breach not cured within thirty (30) days of written notice.

14.2 Upon termination, Buyer shall pay for work completed and return or destroy confidential information.

14.3 License rights for Software terminate immediately upon termination of the Contract.

15. Governing Law and Dispute Resolution

15.1 This Contract is governed by the laws of the State of Montana, USA.

15.2 The parties shall first attempt to resolve disputes by mediation administered by the Montana Academy of Mediators and Arbitrators (MAMA) in Missoula, Montana.

15.3 If mediation fails, either party may bring suit in the state or federal courts of Montana.

15.4 Each party consents to exclusive jurisdiction and venue in those courts.

16. General

16.1 Force Majeure: Neither party is liable for failure to perform due to causes beyond its control.

16.2 Assignment: Buyer may not assign without Seller's written consent.

16.3 Entire Agreement: The Proposal, these Terms, and any referenced documents constitute the entire agreement.

16.4 Order of Precedence: In case of conflict, the Proposal controls.

16.5 Notices: Must be in writing to the addresses in the Proposal.

16.6 Survival: Sections 8-16 survive termination.

16.7 Independent Contractors: The parties are independent contractors; nothing creates an agency or partnership.

16.8 Nothing in this Contract creates a fiduciary, advisory, or trustee relationship between the parties.