

TERMS AND CONDITIONS

LEGACY INNOVATION GROUP, LLC

SCOPE OF WORK

Documentation of Scope and Services to be Rendered

The scope of work to be completed by Legacy Innovation Group is established in both the sales and planning processes, and will be documented in a formal Engagement Agreement.

The scope of work may be defined in its entirety as a closed-ended project (defined deliverables with an established completion milestone), or may be framed as an open-ended project with no set completion milestone involving a consistent set of ongoing deliverables, as in a retainer agreement for ongoing research and reporting.

All services to be rendered by Legacy Innovation Group will be documented in an Engagement Agreement. Specific roles and responsibilities, including defined deliverables, will be captured in the Engagement Agreement.

Client's signature on the Engagement Agreement evidences that Client has provided their agreement to the services and scope as documented. Client signatories certify that they are duly-authorized representatives of the Client organization, and are properly authorized to engage Legacy Innovation Group for the stated work.

Timelines

All services will be rendered in a timely manner, as set forth by an established timeline agreed upon by both parties and documented in the Engagement Agreement.

Legacy Innovation Group and its partners will do everything in their reasonable powers to adhere to said timelines. Legacy Innovation Group and its partners will not be responsible for project delays incurred on account of delinquencies in Client's fulfillment of Client responsibilities and/or deliverables.

Change in Scope and Project Amendments

If the scope of an engagement or project is changed after the Engagement Agreement has been signed and the project initiated, this is considered to be a change in scope. For each engagement or project, a minimum amount of scope change is accounted for.

When, subsequent to acceptance of the initial Engagement Agreement (which is based on initial planning and scoping work), the scope of an engagement or project is measurably changed, such changes and amendments will be documented in a dated Scope Change section of the Engagement Agreement. This section will also include the estimated cost impact of such changes.

The revised Engagement Agreement, including said Scope Change section, must be approved by Client prior to further work commencing.

This policy is in place to keep projects progressing on schedule and within agreed-upon budgets.

Post Support

All engagements and projects come with a certain amount of follow up support. The amount depends on the nature and scope of the engagement or project. The following list indicates the amount of post-support for small, medium, and large engagements, respectively. All times are in hours.

- Strategy Consulting – 8 / 16 / 24
- Process Consulting – 8 / 16 / 24
- Assessments – 6 / 12 / 18
- Scouting – Technology or Market – 4 / 8 / 16
- Scouting – Venture or Business Acquisition – 6 / 12 / 18
- Capital Introduction – 6 / 12 / 18
- Discovery – Insights Research / Market Profiling / Opportunity Scouting / Strategic Foresight – 4 / 8 / 16
- Design – Customer Experience / Business Model / Go-To-Market Strategy / Brand Strategy – 6 / 12 / 18
- Design – Product Development / Service Development (NPD Innovation Project Leadership) – 12 / 20 / 40
- Training, cumulatively across all participants (additional support can be negotiated) – 4 / 8 / 16
- Workshops, cumulatively across all participants (additional support can be negotiated) – 6 / 12 / 18

PRICING STRUCTURE AND ESTIMATES

General

Legacy Innovation Group's fee structures are set on a project scope basis, not on a time and material basis. This makes being a partner to our Clients more straightforward, and promotes an optimal working relationship for both parties.

Strategy Consulting / Process Consulting / Scouting / Discovery / Design / Assessments

All price estimates for the following types of work – strategy consulting / process consulting / scouting (organic & inorganic) / discovery / design / assessments – are estimated based on the scope of the engagement, as understood from dialogue between Client and Legacy Innovation Group, and as documented in the associated Engagement Agreement.

Training

All prices are fixed based on the duration of the course and the number of participants. There are minimum fees for training courses. Prices for training courses include course workbooks and related materials. All prices are subject to change without notice.

Workshops

All prices are fixed based on the nature and duration of the workshop, and the number of participants. There are minimum fees for workshops. Prices for workshops may in some cases include related materials. All prices are subject to change without notice.

NPD Innovation Project Leadership (Development of New Products & Services)

All price estimates for NPD Project Leadership work are estimated based on the scope of the project, as understood from dialogue between Client and Legacy Innovation Group, and as documented in the associated Engagement Agreement. Projects will be structured into phases, and quoted and charged accordingly. Each phase is allocated a set number of limited-scope reiterations before the scope of work will be considered to have changed.

Price Changes Due to Scope Change

Engagements and projects (by phase) are allocated a budgeted amount of service time commensurate with the agreed-upon scope of work. This budgeted amount of service time is reflected in the pricing of the engagement or project. The amount of service time budgeted in the Engagement Agreement accounts for the scope of work as outlined at the time of the agreement. Any change in scope that would exceed 10% of the budgeted amount of service time will require a revised Engagement Agreement approved by the Client prior to Legacy Innovation Group proceeding with work associated with the change in scope. The revised amount of service time will be reflected in a revised price change.

DELIVERABLES

Engagements and projects can involve a wide array of deliverables. These can include, but are not limited to, reports, briefs, product documentation, and so forth. The particular deliverables will be a function of the services and scope of the engagement or project. Legacy Innovation Group makes every attempt to identify these deliverables during the planning process and thereafter document them in the Engagement Agreement. Subsequent scope changes, if and when these occur, may entail additional deliverables.

DEADLINES

The Client's desired milestones and deadlines are established during the enquiry and discovery phase. Actual high level timelines, milestones, and deadlines are determined during the planning phase and are documented in the Engagement Agreement, wherein they are to be approved by the Client. Engagement and project deadlines may be adjusted if scope changes occur that require additional work efforts and/or a greater than anticipated number of reiterations. In many cases, the Client is an equal contributor to the project, and must provide information, reviews, decisions, and other deliverables necessary to the completion of the engagement or project. They are expected to do this in a timely fashion. At the start of each project phase, the Client will be provided with a list of information, reviews, decision points, and deliverables, and the dates by which each of these will be required. Failure of the Client to provide these necessary inputs in a timely manner may result in project delay.

CLIENT'S RESPONSIBILITIES

The Client is responsible for the following:

1. Ensuring the project scope and its associated details (services to be rendered, deliverables, etc.) have been properly captured and reflected in the Engagement Agreement.
2. Identifying the specific individuals from their organization who will serve in such roles as collaborators, reviewers, and/or approvers of various deliverables.
3. All deliverables and actions as outlined in the Client Responsibilities section of the Engagement Agreement. This may include: upfront business information, reviews and evaluations of work products, submission of work products where these enmesh with the work of Legacy Innovation Group and/or its partners, and the rendering of decisions as dictated by the needs of the engagement or project.
4. Meeting all agreed-upon deadlines and milestones. Legacy Innovation Group will not be responsible for project delays incurred as a result of the Client failing to satisfy its agreed upon timeliness.
5. Making payments in a timely manner. Delay in payments will be cause for projects to go "on hold" and be delayed until accounts are brought current.

RETAINER AGREEMENTS

Legacy Innovation Group can be secured on retainer for ongoing support work. Examples might include ongoing market, technology, venture, or acquisition scouting. The duration of the retainer will be agreed upon by both parties and documented in a Retainer Agreement.

While under retainer, Legacy Innovation Group will issue regular updates to Client, unless requested otherwise. The schedule of updates (how often they are issued) will be agreed upon by both parties and so documented in the Retainer Agreement.

Legacy Innovation Group will bill against retainer arrangements on a monthly basis.

PROJECT HOLD / STALL / CANCELLATION

Project Holds

Should the Client choose to place an engagement or project on hold, the work in process will be completed up to a reasonable stopping point and appropriately documented. Unpaid work will be invoiced. Any unused balances will either be released and refunded or held in escrow, according to the Client's preference.

Project Cancellations

Should the Client choose to cancel an engagement or project, the work in process will either be stopped immediately, or completed up to a reasonable stopping point and appropriately documented, per the Client's direction. Unpaid work will be invoiced, and any unused balances will be released and refunded.

Stalled Projects

On rare occasions, Clients may cause engagements or projects to become stalled or even cancelled. This occurs when the Client is unable to provide the necessary information, reviews, decisions, or other required deliverables for a period of more than 30 days.

If an engagement or project were to become stalled at a point where a major project phase was nearing completion, the entire balance for that project phase will become due within 30 days of the project stall date.

Reviving a stalled project may require the project scope to be revisited, and additional costs may be incurred depending on the length of delay.

Legacy Innovation Group reserves the right to terminate the engagement or project if the Client is unresponsive or cannot provide the necessary information, reviews, decisions, or other required deliverables for more than 90 days.

Should, during the course of an engagement or project, the endeavor change direction or scope entirely, the current Engagement Agreement will be terminated and a revised Engagement Agreement will be required reflecting the revised scope of work. Legacy Innovation Group reserves the right to not move forward with a change in scope should it deem doing so to not be in the company's best interest.

CLIENT SATISFACTION

Legacy Innovation Group strives to ensure its Clients are completely satisfied with the work they receive, and that such work fully meets or exceeds their expectations. If for any reason the Client feels they have cause for being less than satisfied, they should contact the management of Legacy Innovation Group and engage in a discussion around how the deficiency might be rectified to achieve their full satisfaction.

COLLATERAL FORMATS

Unless otherwise agreed by both parties and accordingly documented, all project "collateral" (forms, briefs, check sheets, documentation, reports, etc.) will be completed using formats defined by Legacy Innovation Group and/or its partners.

RIGHT TO USE COPYRIGHTS AND TRADEMARKS

The Client represents to Legacy Innovation Group and unconditionally guarantees that any elements of text, graphics, photos, designs, trademarks, or other artifacts furnished to Legacy Innovation Group or its partners for inclusion in products or services and/or the marketing collateral thereof, are owned by the Client, or that the Client has permission from the rightful owner to use each of these artifacts, and will hold harmless, protect, and defend Legacy Innovation Group and its subcontractors from any claim or suit arising from the use of such artifacts furnished by the Client.

OWNERSHIP OF PROPERTIES

Ownership of Intellectual Property

Ownership of all forms of intellectual property made in the course of engagements and/or projects, including but not limited to patents, trademarks, and copyrights, shall be assigned to the Client unless otherwise agreed to by both parties, and pursuant to the fulfillment of all other terms of the governing Engagement Agreement.

Ownership of Proprietary Information, Artifacts, and Properties

Pursuant to the fulfillment of all terms of the governing Engagement Agreement, and upon final payment for all services rendered, ownership of all proprietary information arising out of engagements and/or projects shall be vested with the Client. This ownership is to include all written, visual (graphic), and design artifacts, as well as all physical properties created.

Rights to properties held by third parties will be specifically not transferred to the Client, and will remain the property of their respective owners.

Legacy Innovation Group and its partners retain the right to display representations of work performed under each Engagement Agreement, unless otherwise agreed by both parties.

RIGHTS UPON COMPLETION OR TERMINATION OF ENGAGEMENTS AND PROJECTS

Legacy Innovation Group shall transfer, assign, and make available to the Client all property and materials in Legacy Innovation Group's possession or subject to Legacy Innovation Group's control that are the property of the Client, subject to payment in full of amounts due pursuant to the Engagement Agreement.

Legacy Innovation Group also agrees to provide reasonable cooperation in arranging for the transfer or approval of third party's interest in all contracts, agreements, and other arrangements with said third parties, and all rights and claims thereto and therein, following appropriate release from the obligations thereof.

INDEMNIFICATION

Legacy Innovation Group strives to ensure that all work is completed with the utmost level of concern for accuracy, completeness, and overall quality. This is no guarantee, however, that errors and omissions will not occur.

The Client agrees to defend, indemnify, save, and hold harmless Legacy Innovation Group from any and all demands, liabilities, losses, costs, and claims, including reasonable attorney's fees associated with Legacy Innovation Group's involvement in the development of products and services for the Client. This includes liabilities asserted against Legacy Innovation Group, its subcontractors, its agents, its clients, servants, officers, and employees that may arise or result from any service provided or performed or agreed to be performed or any product sold by the Client, its agents, employees, or assigns.

The Client also agrees to defend, indemnify, and hold harmless Legacy Innovation Group against liabilities arising out of any injury to person or property caused by any products or services sold or otherwise distributed by the Client. This includes infringing on the proprietary rights of a third party, copyright infringement, patent infringement, and delivering any defective product or misinformation which is detrimental to another person, organization, or business.

REPORTING AND INVOICING

All work performed by Legacy Innovation Group and its contracted service providers will be recorded regularly. If requested by the Client, these records will be reported to Client once a month. For ongoing work, all services are invoiced on the final business day of each month.

Notification to view and pay invoices is delivered to Client's authorized representative(s) **by email** or equivalent electronic notification system, unless otherwise agreed to by both parties.

PAYMENT TERMS

If invoices are delivered by email (default), payment terms are **Net 30 Days** from the date of invoice receipt.

If invoices are delivered by postal mail (optional), payment terms are **Net 15 Days** from date of invoice receipt.

BILLING SCHEDULES

Standard Project Engagements – Consulting / Scouting / Discovery / Design / Assessments

If the engagement is expected to last for six months or less, the engagement will initiate with a 40% downpayment of the estimated engagement fee. The final 60% balance will be invoiced upon delivery of the agreed-upon deliverables at the conclusion of the engagement.

If the engagement is expected to last for more than six months, the engagement will initiate with a 25% downpayment of the estimated total engagement fee. The next 50% will be spread out over the expected duration of the engagement into equal amounts and invoiced monthly. Alternatively, if the Client so desires, this 50% can be paid ahead at any time. The final 25% balance will be invoiced upon delivery of the agreed-upon deliverables at the conclusion of the engagement.

For engagements that are structured into phases, the above payment structure can be applied independently to each phase. Where phases are not entirely sequential but partially concurrent, billings will be aggregated accordingly.

If additional expenses are incurred subsequent to delivery of the final deliverables, those will be invoiced separately.

Training and Workshop Engagements

Unless agreed otherwise, a payment of 40% of the total fees for training courses and workshops will be invoiced upon scheduling, and is due a minimum of 15 days prior to scheduled events. The remaining 60% will be invoiced upon delivery of the course or workshop.

In the event that the initial 40% payment has not been received at least 3 days prior to the scheduled course or workshop, the course or workshop will be cancelled and the Client will be invoiced for any travel-related cancellation fees.

Ongoing training programs will be invoiced in this same fashion unless otherwise agreed to by both parties.

If additional expenses are incurred subsequent to delivery of the course or workshop, those will be invoiced separately.

NPD Innovation Project Leadership

Whenever the Client engages Legacy Innovation Group to lead an NPD project, the Client will pay for each phase up front. Legacy Innovation Group will establish a working escrow account to secure these funds. By paying for each phase up front, the Client maintains a balance of funds in this account that allows Legacy Innovation Group to cover agreed-upon expenses to carry out the project.

At the start of each phase, the Client is to deposit on account with Legacy Innovation Group an amount equal to the following:

- For phases lasting three (3) months or less: 100% of the estimated spend during that phase.
- For phases lasting longer than three (3) months: 100% of the estimated spend during the first three (3) months of that phase.

In the latter case, Legacy Innovation Group will invoice monthly on a revolving basis, as follows:

- The escrow account will be invoiced for the work completed that month.
- The Client will be invoiced for the ensuing unbilled month's estimated spend.

In this way, the escrow account balance is kept current and work is always covered for three (3) months in advance. During the final three (3) months of any phase, the Client will not be invoiced for work in that phase, though if agreed it may be invoiced for the work that initiates the subsequent phase. Advanced Client invoicing may be required if major expenses are expected in an ensuing month or phase.

At the conclusion of the project, or if the project is cancelled, all final expenses will be covered. If necessary, outstanding expenses will be invoiced. If there are funds remaining in the escrow account, these will be refunded back to the Client.

Under no circumstances will Legacy Innovation Group incur debt on behalf of the Client. Should the Client's escrow balance fall below the amount necessary to keep a project running, the project will be placed on hold until such time as the Client brings the escrow balance to a level necessary to complete the current phase of the project, as prescribed by Legacy Innovation Group. If the Client does not rectify this situation within 30 days, the project will be considered a Stalled Project.

Exception for New Business Ventures

For all engagements, if the Client is a startup without an established credit history, each phase is to be paid in full up front prior to its start.

TRAVEL EXPENSES

Unless quoted and agreed otherwise, travel expenses incurred by the staff of Legacy Innovation Group are in addition to, and separate from, fees charged for standard services such as consulting, research, fieldwork, training, workshops, and general meetings.

Travel expenses will be invoiced as incurred, on a monthly basis together with the monthly invoicing of other fees.

Itemized expense reports for travel will not be submitted to Client. On invoices, travel expenses will be entered as single line-items for each staff member, with an amount reflecting the sum total of each travel occasion.

PAYMENT METHODS

The Client is to pay invoices through any of the approved payment methods. These include:

- ❖ Direct Bank Transfer
- ❖ Credit Card Payment – VISA / MasterCard / Discover / American Express
- ❖ Check.

REFUNDS

There will be no refunds for work that has been completed.

Should the services rendered require less than the time and expense paid in advance (for example, for funds in an escrow account), the Client may request either a refund or credit towards additional services to be provided by Legacy Innovation Group.

Refunds will be issued by either check or bank transfer, at the sole discretion of Legacy Innovation Group.

PAYMENT DEFAULTS

Returned Payments

A non-refundable administrative fee of \$50 will be assessed should any payment be returned by a bank.

Past Due Accounts

Legacy Innovation Group must receive payments due on or before the date prescribed under **Payment Terms**. If payment is not received by the due date, a late fee of 5% of the past due amount may be assessed.

Accounts with payments that are more than 15 days past due (45 days from date of invoice) will be frozen. While in the frozen state, all work in process will be ceased and no further services will be rendered until the account is brought current. Accounts that incur a frozen state more than once will require payments in advance.

Accounts with payments that are more than 45 days past due (75 days from date of invoice) will be deemed delinquent. Once an account enters the delinquent state, no further services will be rendered until the account has been brought current and a schedule of advance payments has been established. Delinquent accounts are subject to internal review even if they have been brought current.

Account Collection and Credit Reporting

Delinquent accounts may be reported to one or more of the national or international credit reporting agencies. Severely delinquent accounts or unpaid returned payments may be referred to an outside third party collection agency and/or litigation in accordance with state and federal laws. Clients with delinquent accounts may be held responsible for all collection costs, attorney fees, court costs, and interest rates up to the maximum allowed by Michigan law.

Legacy Innovation Group's Finance Policy

Refer also to Legacy Innovation Group's **Finance Policy**.

This can be found online at <https://www.legacyinnova.com/policies/terms/LIG-Terms-&Conditions.pdf>.

DEFINITIONS

Legacy Innovation Group – Legacy Innovation Group, LLC of 38 West Fulton, Suite 400, Grand Rapids, MI, 49503, USA.

Client – Includes the organization retaining Legacy Innovation Group and all of its designated representatives who will engage and/or direct the work of Legacy Innovation Group.

Engagement Agreement – A governing, contractual document that specifies the details of work to be performed as a self-contained one-time project. This includes the project's scope, deliverables, timelines and milestones, and cost estimates. This Agreement also defines the intermediate and final deliverables for the engagement or project so that both parties will understand the Terms of Closure. Both parties must sign this document in order for it to take effect.

Retainer Agreement – A governing, contractual document that specifies the details of ongoing work to be performed under retainer, including scope, deliverables, timelines and milestones, and cost estimates. It also specifies the periodicity of regular updates and the duration of the retainer arrangement.

Terms of Closure – The agreed-upon conditions (generally in terms of specific deliverables and current accounts) under which an engagement or project can be considered by all parties to be finished and complete.