User and License Agreement

This User and License Agreement (“Agreement”) is between Scaleout Systems AB with offices at Scaleout Systems AB, Kungsgatan 12 ,753 32 Uppsala , Sweden, and the individual or entity signing or electronically accepting this Agreement, or any Order Form that references this Agreement (“Customer”). This Agreement covers both subscribed and non-subscribed users of the Software. This Agreement is entered into on the earlier of, (a) Customer clicking “Agree” or “Yes” to the terms of this Agreement to gain initial access to, or use of, the Software, (b) Scaleout and Customer agreeing to an Order Form referencing this Agreement, or (c) Customer is given access to the Software (“Effective Date”).

- Individual Signing on Behalf of Company. IF THE INDIVIDUAL ACCEPTING THIS AGREEMENT IS ACCEPTING ON BEHALF OF AN ENTERPRISE OR OTHER LEGAL ENTITY, SUCH INDIVIDUAL REPRESENTS THAT THEY HAVE THE AUTHORITY TO BIND SUCH ENTERPRISE AND ITS AFFILIATES TO THESE TERMS AND CONDITIONS, IN WHICH CASE THE TERM “CUSTOMER” SHALL REFER TO SUCH ENTERPRISE AND ITS AFFILIATES.

- Individual Not Authorized to Sign on Behalf of Company. IF THE INDIVIDUAL ACCEPTING THIS AGREEMENT DOES NOT HAVE SUCH AUTHORITY, OR DOES NOT AGREE WITH THESE TERMS AND CONDITIONS, SUCH INDIVIDUAL MUST NOT ACCEPT THIS AGREEMENT AND MAY NOT USE THE SERVICES OR SOFTWARE.

1. DEFINITIONS

“Acceptance” of an Order Form shall occur at the earliest of the following: (a) execution of an Order Form, (b) reference to an Order Form Quote No. within a purchase order or similar document, or (c) the use of Software.

“Add-On User(s)” are additional Users in excess of those that have been purchased under a Subscription via an executed Order Form.

“Affiliate” means any entity(ies) controlling, controlled by, and/or under common control with a party hereto, where “control” means the ownership of more than 50% of the voting securities in such entity.

“Appendix” are inclusions in this Agreement that state the terms by which Software is offered to Customer. The Appendices shall be considered part of the Agreement.

“Best effort” is defined as a reasonable response to help Customer resolve any requests related to the installation, management, and usage of the Software that can be achieved within the

context and features of the technology and Software available, with no guarantees given on the timelines of resolution.

“Contractors” are defined as third parties that Customer has engaged to manage, or otherwise use the Software, solely on behalf of Customer.

“Controlled Subject Matter” is the Software or any software or anything related thereto or any direct product thereof, collectively.

"Customer" refers to the individual or entity signing or accepting this Agreement under either a Subscription or License.

“Customer Content” is all software, information, content and data provided by or on behalf of Customer or made available or otherwise distributed through the use of the Software.

“Customer Records” collectively means books, records, contracts and accounts relating to the payments due to Scaleout under this Agreement.

“Customer Support” means technical support of the Software provided by Scaleout.

“Deployment” is defined as a unique instance of the Software installed and operated in a distinct physical or virtual environment, which consumes a specific capacity block.

“Edge Node” means any individual machine, device, sensor, or server authorized by Customer to run or connect to the Software, which is subject to the capacity limitations set forth in the applicable Order Form.

"Effective Date" is the date on which the Customer either subscribes to a Subscription or begins using the Software under a License.

"Effective Price" means the actual price paid by Customer (List Price minus any applicable discount(s)) as set forth on an Order Form.

“Enterprise” means the organization, company, corporation and/or other type of entity which procures the Software to be used on its behalf pursuant to the terms of this Agreement.

“Fees” are those fees set forth within the Order Form.

“Free Software” means a feature-limited version of Software provided to a Customer, User, end user, partner, or any other third party at no (or a greatly reduced cost) including but not limited to, the lowest tier offering of Software as made available by Scaleout.

“Individual” means a person who uses the Software on their own behalf, and not an Enterprise. An Individual must be over the age of thirteen (13) years old.

"License" refers to the rights granted to non-subscribed users to access and use the Software, subject to the limitations set forth in this Agreement.

“License Start Date" is the date on which a non-subscribed user first accesses or uses the Software.

"List Price" means the list price of the Scaleout Software excluding (if applicable) any discount(s) set forth in an Order Form.

“Order Form” is a transactional document agreed to between the parties which states the Software and/or Supplemental Services being purchased, term of use, price, and other applicable transaction details. For the avoidance of doubt, the parties acknowledge and agree the terms and conditions stated within this Agreement and an executed Order Form shall govern with respect to all matters contemplated herein.

“Purchase Order” is a Customer’s processing document, or similar record, which is used by Customer to demonstrate internal approval and /or record of a purchase. Any terms stated within a Purchase Order shall be null and void and are expressly rejected by the parties.

“Software” means software, and other branded offerings made available by Scaleout or its Affiliate(s), including but not limited to, Scaleout Studio.

"Subscription" refers only to the additional services, support, and functions of the Software as provided to subscribed users. Subscriptions are provided as described in Appendix 1 and are based on the number of Users using or connecting to the platform.

“Subscription Start Date” is, unless otherwise agreed to in writing, the start date, (i) stated on an Order Form, or, the date in which Customer is given access to the Software (whichever is later).

“Subscription Term” shall begin on the Subscription Start Date and continue for twelve (12) months, unless the term length is otherwise agreed to in an Order Form.

“Supplemental Services” means additional capacity, functionality, storage and/or other elements that Customer may procure in addition to the Software. Such Supplemental Services may be purchased by Order Form. Supplemental Services purchased will be: (i) provided as a separate line item in an Order Form, and (ii) co-termed to the underlying Subscription Term if not purchased on the Subscription Start Date. For the avoidance of doubt, Supplemental Services are not part of the Software, but rather, are provided in addition to the Software and Supplemental Services shall be subject to the terms and conditions of this Agreement.

“User(s)" is defined as any individual or machine authorized by Customer to access the Software, whether under a Subscription or a License.

“Website” means Scaleout’s website located at www.scaleoutsystems.com and all subdomains, and all content, services, documentation provided on the Website.

2. SCOPE OF AGREEMENT

2.1 This Agreement establishes a framework that enables Scaleout to provide the Customer with the Software. The Software is provided as a Subscription and delivered either as a fully managed single-tenant deployment as described in Appendix 1.

3. ORDERING PROCESS

3.1 This Agreement applies to Software that Customer licenses directly from Scaleout.

3.2 Unless otherwise agreed to between Customer and Scaleout in writing, the terms of this Agreement shall govern any and all use of the Software, whether accessed via Subscription or License.

3.3 Scaleout and Customer acknowledge and agree that Free Software may be: (i) modified and/or updated, without notice, and (ii) limited in functionality, features, maintenance, support and contain other limitations not present in Software purchased. NOTWITHSTANDING THE "WARRANTY" AND "INDEMNIFICATION" SECTIONS BELOW, FREE SOFTWARE AND SOFTWARE OFFERED ON A TRIAL OR DEMONSTRATION BASIS (AS STATED IN AN ORDER FORM PURCHASE) ARE PROVIDED "AS-IS" WITHOUT ANY WARRANTY AND Scaleout SHALL HAVE NO INDEMNIFICATION OBLIGATIONS NOR LIABILITY OF ANY TYPE WITH RESPECT TO SUCH FREE SOFTWARE UNLESS SUCH EXCLUSION OF LIABILITY IS NOT ENFORCEABLE UNDER APPLICABLE LAW, IN WHICH CASE SCALEOUT'S LIABILITY WITH RESPECT TO SUCH FREE SOFTWARE SHALL NOT EXCEED 100,000 SEK.

4. TERM AND TERMINATION

4.1 The Agreement commences on the Effective Date and continues until it is terminated in accordance with this Section 4.

4.2 A Subscription Termshall begin as of the Subscription Start Date and remain in effect for the term length indicated on the Order Form.

4.3 Either party may terminate this Agreement and any Order Form executed between the parties if:

(a) the other party materially breaches this Agreement and does not cure the breach within thirty (30) days after written notice; or

(b) the other party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors.

4.4 Scaleout may (at its sole discretion) suspend delivering Subscriptions if Customer breaches the terms of Section 6 (Payment of Fees) until the breach is remedied.

4.5 Unless otherwise stated herein, termination of this Agreement shall not affect any Subscriptions or Licenses currently being delivered, and this Agreement shall remain in full force and effect until the expiration of the then-current Subscription Term or License Period. In

the event this Agreement is terminated by Customer in accordance with Section 4.3, Scaleout will refund Customer any prepaid Fees for the prorated portion of unused Subscription Term or License Period. If this Agreement is terminated by Scaleout in accordance with this Section 4, Customer will pay (if applicable) any unpaid Fees covering the remainder of the Subscription Term or License Period of all Order Forms, to the extent permitted by applicable law. For the avoidance of doubt, in no event will termination relieve Customer of its obligation to pay any Fees payable to Scaleout for the period prior to the effective date of termination.

4.7. For UK public sector buyers, subscriptions will not auto-renew without explicit written agreement.

5. RESTRICTIONS AND RESPONSIBILITIES

5.1 Customer will not, and will not permit any third party to (not otherwise defined as a User):

(i) use the Software for any purpose other than as specifically authorized in this Agreement;

(ii) use the Software for time sharing or service bureau purposes (including without limitation, sublicensing, distributing, selling, reselling any Software);

(iii) for any purpose other than its and its Affiliates' own internal use;

(iv) use the Software other than in compliance with all applicable laws and regulations;

(v) use the Software in any manner that: (a) is harmful, fraudulent, deceptive, threatening, abusive, harassing, tortious, defamatory, vulgar, obscene, or libelous (including without limitation, accessing any computer, computer system, network, software, or data without authorization, breaching the security of another user or system, and/or attempting to circumvent any User authentication or security process); (b) impersonates any person or entity, including without limitation any employee or representative of Scaleout; or (c) contains a virus, trojan horse, worm, time bomb, unsolicited bulk, commercial, or "spam" message, or other harmful computer code, file, or program (including without limitation, password guessing programs, decoders, password gatherers, keystroke loggers, cracking tools, packet sniffers, and/or encryption circumvention programs); and

(vi) For the proprietary portions of the Software owned by Scaleout, Customer will not, except to the extent permitted by applicable law, disassemble, reverse engineer, or decompile the Software or access it to: (a) build a competitive product or service, (b) build a product or service using similar ideas, features, functions or graphics of the Software, (c) copy any ideas, features, functions or graphics of the Software, or (d) determine whether the Software are within the scope of any patent. For components of the Software that are under the Apache 2 License, the restrictions in (iv) do not apply. Customers are advised to consult the Apache 2 License to understand their rights and restrictions.

5.2 Nothing in this Agreement shall prohibit Customer from using the Software for benchmark testing or comparative analysis. Customer will comply with all applicable data privacy and security laws and shall have appropriate technological, administrative, and physical controls in place to ensure such compliance.

5.3 Customer will be responsible for the following:

(i) maintaining the security of Customer's account, passwords (including, but not limited to, administrative and User passwords) and files, and for all uses of Customer account with or without Customer's knowledge or consent; and

(ii) any acts or omissions carried out by Contractors on Customer's behalf. Customer shall ensure that Contractors are subject to terms no less stringent than those stated herein.

5.4 Subject to this Agreement and the applicable Order Form, Scaleout will provide Customer Support to Customer for the Subscriptions, during the Subscription Term, at no additional cost. Details regarding Customer Support can be found in Appendix 1.

5.5 Portions of the Software are governed by underlying open source licenses. This Agreement and applicable Appendices establish the rights and obligations associated with Subscriptions and Software and are not intended to limit Customer's right to software code under the terms of an open source license.

6. PAYMENT OF FEES

Applies to Subscription-based Customers only. Licensed users can access the Software for free under conditions specified in Appendix 3.

6.1 For Subscribed Customers: All payments for services are due upon the finalization of the Order Form, unless otherwise specified. Non-subscribed users are permitted to use the Software at no charge, in accordance with limitations defined in Appendix 3.

6.2 When making purchases directly from Scaleout, the Order Form must include a reference to this Agreement, specify the length of the Subscription Term(s), and list the Subscription(s) being acquired, along with the associated Fees. This Order Form is incorporated into this Agreement by reference. All terms stipulated within this Agreement and the Order Form will supersede any terms in a Purchase Order or similar document, which will be considered null and void.

6.3 With respect to purchases direct from Scaleout, such Order Form is hereby incorporated into this Agreement by reference. The parties hereby agree to the terms and conditions stated within this Agreement and those found within an Order Form to the exclusion of all other terms. The parties agree that all terms stated within a Purchase Order, or other similar document, shall be null and void and are expressly rejected.

6.4 With respect to purchases direct from Scaleout, Customer will pay Scaleout the applicable Fees, including those for Supplemental Services, without any right of set-off or deduction. All payments will be made in accordance with the payment details stated within the applicable Order Form. If not otherwise specified: (i) Scaleout will invoice Customer for the Fees upon the Acceptance of an Order Form; and (ii) all Fees will be due and payable within thirty (30) days of Customer's receipt of an invoice. Except as expressly set forth in this Agreement, all Fees paid or due hereunder (including prepaid amounts) are non-refundable, and no credit will be due, including without limitation if this Agreement is terminated in accordance with Section 4 herein.

6.5 During the Subscription Term, Customer may, subject to this Agreement, activate and use Add-On Users. For the avoidance of doubt, Customer shall not have the right to report less than the number of Users originally purchased under the Subscription, and all Add-On Users shall be co-termed to the underlying Subscription Term.

6.6 With respect to purchases direct from Scaleout, at the end of each three (3) month period, commencing up on the Subscription Start Date, (referred to herein as "Quarter" or "Quarterly") during the Subscription Term, Customer shall report and pay for Overage Nodes and Overage Users. Unless the parties agree to an Effective Price which is less than the List Price, as set forth in an Order Form, Add-On Nodes and Users will be invoiced at the List Price in the most recent Order Form.

7. CONFIDENTIALITY

7.1 Each party (the "Receiving Party") understands that the other party (the "Disclosing Party") has disclosed or may disclose information relating to the Disclosing Party's technology or business (hereinafter referred to as "Confidential Information"). Such Confidential Information shall be either: (i) identified as confidential at the time of disclosure; or (ii) the nature of such information and/or the manner of disclosure are such that a reasonable person would understand it to be confidential. Without limiting the foregoing, and subject to applicable open source license(s), the Software is considered Scaleout Confidential Information.

7.2 The Receiving Party agrees: (i) not to divulge to any third person any such Confidential Information; (ii) to give access to such Confidential Information solely to those employees with a need to have access thereto for purposes of this Agreement; and (iii) to take the same security precautions to protect against disclosure or unauthorized use of such Confidential Information that the party takes with its own confidential information, but in no event will a party apply less than reasonable precautions to protect such Confidential Information.

7.3 The Disclosing Party agrees that Section 7.2 will not apply with respect to any information for which the Receiving Party can document: (i) is or becomes generally available to the public without any action by, or involvement of, the Receiving Party; or (ii) was in its possession or known by it prior to receipt from the Disclosing Party; or (iii) was rightfully disclosed to it without restriction by a third party, or (iv) was independently developed without use of any Confidential Information of the Disclosing Party.

7.4 The parties' obligations with respect to the protection of Confidential Information shall remain in force for a period of five (5) years following the receipt of such Confidential Information and shall survive any termination or expiration of this Agreement.

7.5 Nothing in this Agreement will prevent the Receiving Party from disclosing Confidential Information pursuant to any judicial or governmental order, provided that the Receiving Party gives the Disclosing Party, when legally possible, reasonable prior notice of such disclosure to allow the Disclosing Party to contest such order.

7.6 Each party acknowledges and agrees that the other may suffer irreparable damage in the event of a breach of the terms of this Section 7 and that such party will be entitled to seek injunctive relief (without the necessity of posting a bond) in the event of any such breach.

7.7 Both parties will have the right to disclose Confidential Information in connection with: (i) a required filing to a governmental authority (provided such party will use reasonable efforts to obtain confidential treatment or a protective order), or (ii) disclosures made to potential investors or acquirers, provided that at all times the Confidential Information shall be protected in a manner no less stringent as set forth in this Section 7.

7.8 Scaleout may collect data with respect to, and report on the aggregate response rate and other aggregate measures of, the Software performance and Customer's usage of the Software. Notwithstanding the foregoing, Scaleout will not identify Customer to any third party as the source of any such data without Customer's prior written consent.

8. INTELLECTUAL PROPERTY RIGHTS

8.1 Ownership of the Scaleout Platform and Background IP

Except for the limited rights expressly granted to Customer under this Agreement, Scaleout retains all right, title, and interest in and to:
(i) the Scaleout Edge Platform, including the Platform Core, any Capability Modules, and all Scaleout Materials (as defined below);
(ii) all enhancements, modifications, updates, patches, or derivative works of the foregoing, whether developed by Scaleout independently, in connection with this Agreement, or under any Statement of Work ("SOW") or Order Form ("Scaleout Background IP"); and
(iii) all related documentation.
For clarity, no rights of ownership are transferred to Customer under this Agreement.

8.2 License to the Software

Subject to Customer's payment of applicable fees and compliance with this Agreement, Scaleout grants Customer a limited, non-exclusive, non-transferable, non-sublicensable license for Customer's and its Affiliates' authorized Users to use the Software solely for:
(i) Customer's internal development, testing, evaluation, and operation of Customer's own

products or services; and
(ii) the number of Users, Deployments, Edge Nodes and Organizations covered by Customer's valid Subscription.

Except as expressly permitted under an Embedded License Addendum, applicable SOW, or Order Form, Customer may not sublicense, distribute, embed, or otherwise make the Software, Platform Core, Capability Modules, or Scaleout Materials available to any third party.

No rights to embed, distribute, or commercialize the Software or any portion thereof are granted under this Agreement unless expressly set forth in writing by Scaleout.

8.3 Embedded Licensing Framework

Embedded Use Not Included.
Unless Customer purchases an embedded license via an Embedded License Addendum ("ELA") or applicable SOW, the licenses granted under this Agreement do not permit Customer to distribute, embed, or otherwise make the Software available within Customer Products.

Optional Embedded License.
Scaleout may offer Customer the ability to embed designated components of the Software into Customer Products under additional terms, including per-unit fees, usage reporting requirements, and technical restrictions, as set forth in such ELA or SOW.

8.4 Scaleout Materials

"Scaleout Materials" include sample code, libraries, command-line tools, data integration code, templates, configuration files, and other materials provided by Scaleout for use with the Software.

Scaleout grants Customer a limited, revocable, non-exclusive, non-transferable license to use, reproduce, and modify Scaleout Materials solely for internal use with the Software, and not for standalone distribution or embedding except as expressly permitted under an Embedded License Addendum or applicable SOW.

8.5 SDK and CLI

The Software development kit (SDK) and command-line interface (CLI) provided by Scaleout constitute Scaleout copyrighted works but are licensed to Customer under the Apache License 2.0. Customer may freely use, modify, and distribute client-side integrations created using the SDK or CLI, including embedding such integrations into Customer's own products.

8.6 Feedback

Any suggestions, ideas, enhancement requests, recommendations, or feedback provided by Customer or its Users relating to the Software ("Feedback") are hereby assigned to Scaleout.

Feedback does not include Customer Confidential Information or Customer-owned IP.

8.7 Consulting, Integration, and Deployment Deliverables

Unless otherwise expressly stated in a SOW or Order Form, any deliverables, integrations, configurations, deployment assets, machine learning code, or model architectures developed by Scaleout in connection with professional services ("Service Deliverables") shall be and remain Scaleout Background IP, regardless of whether they are customized for Customer.

Customer is granted a non-exclusive, worldwide, royalty-free, irrevocable, perpetual, sublicensable, and transferable license to use, reproduce, modify, and distribute the Service Deliverables, for Customer's internal business purposes and in connection with its permitted use of the Software.

For clarity, the foregoing license does not grant Customer any right to embed, distribute, or commercialize the Software or any Scaleout runtime components, except as expressly permitted under an Embedded License Addendum or applicable SOW.

8.8 Customer Content and Machine Learning Models

Customer retains all right, title, and interest in and to Customer Content, including all data, trained machine learning models, model weights, model artifacts, and other outputs created by Customer through use of the Platform.
Customer grants Scaleout a limited, non-exclusive license to use Customer Content solely as necessary to provide, maintain, and improve the Software and related services.
Scaleout obtains no ownership in Customer's machine learning models.

8.9 Proprietary Notices

Customer shall not remove, alter, or obscure any copyright notices, proprietary legends, trademark or service mark attributions, or other indicia of ownership appearing within the Software or Scaleout Materials.

8.10 Marketing Rights

Customer grants Scaleout the right to use Customer's name and logo in marketing and promotional materials, subject to Customer's branding guidelines as provided from time to time.

9. WARRANTY

9.1 During the applicable Subscription Term or License Term, Scaleout represents and warrants that:(i) it has the full right, power, and authority to enter into this Agreement; and (ii) when used in accordance with the applicable documentation and this Agreement, the Software will perform in all material respects in accordance with the documentation made generally available by Scaleout.

9.2 If at any time Scaleout fails to comply with the warranties in this Section 9, Customer may promptly notify Scaleout in writing of any such noncompliance. Scaleout will, within thirty (30) days of receipt of such written notification, either correct the noncompliance or provide Customer with a plan for correcting the noncompliance. If the noncompliance is not corrected or if a reasonably acceptable plan for correcting the non-compliance is not established during such period, Customer may terminate this Agreement and receive a prorated refund for the unused portion of the Subscription Term as its sole and exclusive remedy for such noncompliance.

9.3 EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE SOFTWARE, SUPPLEMENTAL SERVICES AND CONFIDENTIAL INFORMATION AND ANYTHING PROVIDED IN CONNECTION WITH THIS AGREEMENT ARE PROVIDED "AS-IS," WITHOUT ANY WARRANTIES OF ANY KIND. Scaleout AND ITS LICENSORS HEREBY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT.

10. INDEMNIFICATION

10.1 Scaleout will defend Customer from any claim, demand, suit or proceeding made or brought against Customer by a third party alleging the Software (excluding Free Software as set forth in Section 3.3) provided by Scaleout infringes or misappropriates such third party's patent or copyright (a "Customer Claim"). Scaleout will indemnify and hold Customer harmless from any damages, reasonable attorneys' fees and costs finally awarded against Customer as a result of a Customer Claim, or for amounts paid by Customer under a settlement approved (in writing) by Scaleout, provided Customer: (i) promptly notifies Scaleout in writing of the Customer Claim; (ii) gives Scaleout all reasonable assistance at Scaleout's expense; and (iii) gives Scaleout sole control over defense and settlement thereof except that Scaleout may not settle any Customer Claim unless it unconditionally releases Customer of all liability. The foregoing obligations do not apply if: (v) the Customer Claim arises from Software or any part thereof that is modified by Customer, or at Customer's direction, after delivery by Scaleout; (w) the Customer Claim arises from the use or combination of the Software or any part thereof with other products, processes or materials not provided by Scaleout where the alleged infringement relates to such combination; (x) Customer continues allegedly infringing activity after being notified thereof or after being informed of modifications that would have avoided the alleged infringement; (y) the Customer Claim arises from software not created by Scaleout, or (z) the Customer Claim results from Customer's breach of this Agreement and/or applicable Order Forms. Notwithstanding the foregoing, in the event of a Customer Claim, Scaleout, at its discretion, option and expense, reserves the rights to: (a) modify the Software to make it non-infringing provided there is no material loss of functionality; (b) settle such claim by procuring the right for Customer to continue using the Software; or (c) if in Scaleout's reasonable opinion neither (a) or (b) are commercially feasible, terminate the license to the Software and refund a pro-rata portion of the amount paid by Customer for such Software for the unused portion of the Subscription Term.

THE OBLIGATIONS SET FORTH IN THIS SECTION 10.1 SHALL BE SUBJECT TO, AND LIMITED BY, THE LIMITATION OF LIABILITY SET FORTH IN SECTION 11 OF THIS AGREEMENT.

10.2 Customer will defend Scaleout and its Affiliates against any claim, demand, suit or proceeding made or brought against Scaleout by a third party alleging: (i) that any Customer Content or Customer's use of Customer Content with the Software or any software (or combination of software) provided by Customer and used with the Software, infringes or misappropriates such third party's intellectual property rights, or (ii) arising from Customer's use of the Software in an unlawful manner or in violation of the Agreement, the applicable documentation, or Order Form (each a "Scaleout Claim"). Customer will indemnify Scaleout from any damages, reasonable attorneys' fees and costs finally awarded against Scaleout as a result of, or for any amounts paid by Scaleout under a settlement approved (in writing) by Customer of a Scaleout Claim, provided Scaleout: (x) promptly gives Customer written notice of the Scaleout Claim, (y) gives Customer sole control of the defense and settlement of the Scaleout Claim (except that Customer may not settle any Scaleout Claim unless it unconditionally releases Scaleout of all liability), and (z) gives Customer all reasonable assistance, at Customer's expense. The above defense and indemnification obligations do not apply if a Scaleout Claim arises from Scaleout' breach of this Agreement and/or applicable Order Form.

10.3 This Section 10 (Indemnification) states the indemnifying party's sole liability to, and the indemnified party's exclusive remedy against the other party for any third-party claim described in this section.

11. LIMITATION OF LIABILITY

11.1 TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL EITHER PARTY OR THEIR LICENSORS BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL, CONSEQUENTIAL DAMAGES, LOSS OF REVENUE, ANTICIPATED PROFITS, LOST BUSINESS OR LOST SALES, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF DAMAGES.

11.2 TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE TOTAL LIABILITY OF EACH PARTY AND ITS AFFILIATES AND LICENSORS ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, WILL NOT EXCEED, IN THE AGGREGATE, THE TOTAL AMOUNT PAID BY CUSTOMER OR ITS AFFILIATES HEREUNDER IN THE ONE YEAR PERIOD PRECEDING THE FIRST INCIDENT OUT OF WHICH THE LIABILITY AROSE. THE FOREGOING LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY, BUT WILL NOT LIMIT CUSTOMER'S OR ITS AFFILIATES' PAYMENT OBLIGATIONS UNDER THE "PAYMENT OF FEES" SECTION ABOVE.

Notwithstanding the foregoing, the limitations set forth in this Section 11.2 shall not apply to:

(i) Customer's breach of its confidentiality obligations under Section 7;

(ii) Customer's violation of Scaleout's intellectual property rights, including unauthorized use, copying, reverse engineering, or misappropriation of the Software or Scaleout Materials; or

(iii) Customer's indemnification obligations under Section 10.2.

12. FORCE MAJEURE

12.1 Scaleout and Customer will not be liable for any default or delay in the performance of their respective non-monetary obligations, to the extent that such default or delay is caused, directly or indirectly, by fire, flood, earthquake, explosions, elements of nature, acts of God, acts or regulations of government bodies, nuclear, chemical or biological contamination, court orders arising out of circumstances other than a breach of this Agreement by the Non-performing Party (as defined below), acts of war, terrorism, riots, civil disorders, rebellions or revolutions, strikes, lockouts or labor difficulties, epidemics failures or outages of cloud service providers, hosting providers, data centers, or virtual private cloud infrastructure; widespread internet, network, or backbone outages; denial-of-service (DDoS) attacks or other large-scale cyberattacks not caused by the Non-performing Party; failures of utilities or telecommunications providers, or by any other event or circumstance that is beyond the reasonable control of Scaleout or Customer.. The party that is unable to perform shall be referred to as the "Non-performing Party". Such an event or circumstance giving rise to the default or delay is hereby referred to as a "Force Majeure Event".

12.2 The Non-performing Party will be excused from any further performance of the non-monetary obligations affected by such Force Majeure Event for as long as such Force Majeure Event continues and the Non-performing Party continues to use commercially reasonable efforts to resume performance.

12.3 Except as expressly excused in this Section 12, each party will continue to perform its respective obligations under this Agreement during a Force Majeure Event.

13. SECURITY / DATA PROTECTION

13.1 Without limiting Scaleout's obligations as stated in Section 7 (Confidentiality), Scaleout shall be responsible for establishing and maintaining a commercially reasonable information security program that is designed to: (i) ensure the security and confidentiality of the Customer Content; (ii) protect against any anticipated threats or hazards to the security or integrity of the Customer Content; (iii) protect against unauthorized access to, or use of, the Customer Content; and (iv) ensure that all subcontractors of Scaleout, if any, comply with all of the foregoing. In no case shall the safeguards of Scaleout's information security program be less stringent than the information security safeguards used by Scaleout to protect its own commercially sensitive data. Customer shall use commercially reasonable security and anti-virus measures when accessing

and using the Software and to prevent unauthorized access to, or use of the Software, and notify Scaleout promptly of any such unauthorized access or use of which it becomes aware.

13.2 With respect to the protection of information, the Scaleout Privacy Statement located at https://www.scaleoutsystems.com/terms, shall apply. If this Agreement is entered into on behalf of an Enterprise, the terms of the data processing addendum ("DPA") at https://www.scaleoutsystems.com/terms are hereby incorporated by reference and shall apply to the extent Customer Content includes Personal Data, as defined in the DPA.

13.3 The Software may be used by Customer to process data that is subject to heightened legal, regulatory, or contractual requirements ("Sensitive Data"), provided that such data remains under Customer's control and is processed in accordance with the applicable Deployment Model. (a) Customer is solely responsible for determining whether its use of the Software involves Sensitive Data and for ensuring compliance with all applicable laws, regulations, and industry requirements relating to such data. (b) No Regulated Processing by Default. Scaleout does not act as a processor, regulated service provider, or similar role with respect to Sensitive Data except to the extent Scaleout processes Personal Data in connection with a fully managed single-tenant deployment or as otherwise expressly agreed in writing. Any such processing of Personal Data by Scaleout shall be governed by the applicable Data Processing Addendum. (c) For self-managed deployments, Customer retains full responsibility for the security, processing, storage, and compliance of Sensitive Data. For fully managed single-tenant deployments, Scaleout's obligations are limited to the infrastructure and security controls expressly set forth in Schedule A and any applicable Data Processing Addendum.(d) Liability Allocation. To the maximum extent permitted by applicable law, Scaleout shall have no liability arising from Customer's use of the Software to process Sensitive Data except to the extent expressly assumed under an applicable Data Processing Addendum.

14. MISCELLANEOUS

14.1 If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable.

14.2 This Agreement is not assignable, transferable or sublicensable by either party without the other party's prior written consent, not to be unreasonably withheld or delayed; provided that either party may transfer and/or assign this Agreement to a successor in the event of a sale of all, or substantially all, of its business or assets to which this Agreement relates.

14.3 This Agreement is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications and other understandings relating to the subject matter of this Agreement. All waivers and modifications must be in a writing signed or otherwise agreed to by each party, except as otherwise provided herein.

14.4 No agency, partnership, joint venture, or employment is created as a result of this Agreement and neither party has any authority of any kind to bind the other in any respect whatsoever.

14.5 In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees.

14.6 All notices under this Agreement will be in writing and will be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by email; and upon receipt, if sent by certified or registered mail (return receipt requested), postage prepaid. Any notices to Scaleout shall also include a copy to contact@scaleoutsystems.com .

14.7 In addition to any rights that accrued prior to termination, the provisions of Sections 3.3, and 5 through 15 shall survive any termination of this Agreement.

14.8 This Agreement shall be governed by and construed in accordance with the laws of Sweden, without regard to its choice of law provisions. The courts of Sweden shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement.

APPENDIX 1: Scaleout Software Subscription

Scaleout Edge is a federated learning and machine learning operations orchestration platform designed to enable machine learning on distributed, sensitive data without centralizing the raw training data. The "Managed Deployment" provides a private, single-tenant control plane hosted in a Virtual Private Cloud (VPC), allowing customers to manage global edge learning and federated learning operations from a secure, centralized interface, and to securely distribute, deploy and monitor machine learning models on edge nodes.

1. PROVISIONING

Scaleout provides a private, fully-managed instance of the Software. Deployment is available via a Virtual Private Cloud (VPC) environment hosted by one of the following supported infrastructure providers:

- Google Cloud Platform (GCP)
- Microsoft Azure
- Amazon Web Services (AWS)
- Oracle Sovereign Cloud

The infrastructure provider and region are configured and operated by Scaleout in accordance with the Order Form.

Scaleout is responsible for the initial provisioning and configuration of the environment to ensure the Software is accessible to the Customer in accordance with the specifications in the Order Form.

For the avoidance of doubt, the Managed Deployment is provided exclusively as a supplier-hosted Software as a Service (SaaS) and does not involve customer-managed infrastructure

2. ONBOARDING AND OFFBOARDING SUPPORT

Onboarding. Scaleout provides a dedicated onboarding manager to assist with initial project configuration, and edge node registration. Scaleout provides a range of onboarding resources including user documentation and getting-started tutorials (html, pdf, video), online training, and onsite training. Standard onboarding typically takes 5–10 business days**.**

Offboarding. Upon termination, users can export models, metrics and metadata as described in section 10. Scaleout offers a secure, raw bulk export subject to an additional professional service fee. Following export confirmation, all customer-specific infrastructure is deprovisioned and data is purged in accordance with our sanitization policy set forth in section 8.7.

3. SERVICE LEVEL OBJECTIVES

3.1 Availability Target. Scaleout will use commercially reasonable efforts to make the Control Plane available with an Uptime Objective of 99.5% during each calendar month. This is a performance target and does not constitute a formal Service Level Agreement or a guarantee of service.

3.2 Definition of Uptime. For the purposes of this Schedule, "Uptime" is defined as the period during which the Scaleout Control Plane is accessible via the public internet. Uptime measurements apply strictly to the Control Plane and do not include the availability of individual Edge Nodes or local customer environments.

3.3 Excused Outages. The Uptime Objective does not apply to any period of downtime or inaccessibility caused by:

- Scheduled maintenance as communicated by Scaleout.
- Force Majeure events.
- Outages or failures of third-party infrastructure providers (e.g., AWS, Azure, GCP, Safespring, Oracle).
- Issues caused by the Customer's own hardware, software, or network connectivity.

4. RESILIENCY, DATA BACKUP, RESTORE, AND DISASTER RECOVERY

4.1 Resiliency. Scaleout will architect and maintain an underlying infrastructure with commercially reasonable resiliency for all data, compute, and network services. The control plane is configured with redundancy for critical services (high-availability).

4.2 Data backup and restore procedures. Scaleout leverages the automated backup and redundancy features of the underlying IaaS providers.

- Backup Frequency**:** Automated snapshots of the Control Plane metadata and model repository are taken daily.
- Retention**:** Backups are retained for 30 days.
- Restore Process**:** In the event of a primary instance failure, Scaleout initiates a restoration from the latest snapshot. The Target Recovery Time Objective (RTO) is 24 hours.

5. MONITORING AND INCIDENT RESPONSE

Scaleout will employ a system of instrumentation and observation tools to ensure that system behavior which may limit use Software is detected. Scaleout will also employ industry reasonable practices to maintain appropriate engineering personnel availability for the purposes of incident response(s).

6. SOFTWARE UPDATES AND UPGRADES

6.1 Provision of Updates. Scaleout will provide regular updates to the Control Plane software, including bug fixes, security patches, and new feature releases (collectively, "Updates").

6.2 Patch Management. Scaleout is responsible for identifying and deploying critical security patches.Critical patches are prioritized and deployed to the Managed Deployment within 10 business days of a verified stable release.

6.3 Version Support. Scaleout manages the versioning of the Control Plane. While Scaleout aims for backward compatibility with Edge Nodes, Customers may be required to update local Edge Node software to maintain connectivity with new Control Plane features.

7. MAINTENANCE AND AVAILABILITY

7.1 Scheduled Maintenance. Scaleout will occasionally perform scheduled system maintenance which requires limits to the use of part or all of the Software features, or significantly reduces features and functions during the scheduled system maintenance period. Scaleout will take a proactive approach to minimizing the need for such maintenance. Scaleout will provide at least forty-eight (48) hours' notice for any planned downtime that may impact Control Plane availability.

7.2 Emergency Maintenance. Notwithstanding the foregoing, in the event of an emergency or urgent issue which may negatively impact Scaleout's customers, Scaleout has the right to carry out unscheduled maintenance to remedy such instance(s). For the avoidance of doubt, such unscheduled maintenance shall: (i) be limited to only those issues which may negatively impact customers; and (ii) will be carried out in such a manner to provide for the least amount of disruption to customers.Scaleout will notify the Customer as soon as reasonably practicable during such events.

8. SECURITY AND COMPLIANCE

8.1 Infrastructure Security. Scaleout implements industry-standard security measures for the Managed Deployment, including multi-factor authentication for administrative access and continuous monitoring of infrastructure health.

8.2 Pass-Trough Security Warranty. The Managed Deployment is hosted on infrastructure provided by IaaS vendors (e.g., AWS, Azure, GCP, Oracle). Scaleout leverages the physical and environmental security controls of these providers, including their respective certifications for ISO/IEC 27001, SOC 2 Type II, and compliance with NCSC Cloud Security Principles. Scaleout warrants that it will configure these IaaS resources in accordance with security best practices, including encryption of data at rest and in transit using industry-standard cryptographic protocols, see Section 8.8, 8.9.

8.3 Data Isolation. The Managed Deployment is provisioned as a single-tenant environment, ensuring the Customer's models and metadata are logically isolated from other Scaleout environments:

- Separate database instances or schemas per Customer.
- Isolated object storage buckets with encryption at rest.

- Persistent Volume Claims (PVCs) scoped to customer namespace.

8.4 External Isolation (Customer-to-Customer).

- Dedicated Virtual Private Cloud (VPC) or VNet per customer with private IP addressing.
- Network-level segregation preventing cross-tenant communication.
- Separate database instances (PostgreSQL/MongoDB) per customer deployment.
- Isolated object storage buckets with customer-specific encryption keys.
- Kubernetes namespace isolation with strict Network Policies blocking inter-namespace traffic.
- Unique authentication domains (Ory Kratos/Hydra instances per tenant).
- No shared compute resources, volumes, or network paths between customers.

8.5 User-Level Isolation:

- Role-Based Access Control (RBAC) with user/admin role separation.
- OAuth2/JWT token-based authentication with user-specific permissions.
- Session isolation preventing cross-user data access.
- User-scoped API tokens with granular permissions.

8.6 Service-Level Isolation:

- Container-level isolation with separate service pods (frontend, API, controller, combiner, database).
- Kubernetes Network Policies restricting service-to-service communication to authorized paths only.
- Least-privilege service accounts for each component.
- Secrets management with service-specific credentials (no shared secrets).
- Database access controls limiting each service to required tables/collections only.
- Audit logging of all cross-service communication.

8.7 Data Residency. Scaleout ensures that all Customer Content and associated metadata reside within the geographic region specified in the Order Form.

8.8 Encryption at Rest. Scaleout configures the Managed Deployment to ensure that all Customer Content is encrypted at rest using the native encryption capabilities of the underlying IaaS provider (e.g., AWS EBS/S3 encryption, Azure Disk/Blob encryption).

- Standard: Data is encrypted using industry-standard AES-256 algorithms.
- Key Management: For this Tier, encryption keys are managed by the IaaS provider's Key Management Service (KMS) on behalf of Scaleout. These keys are protected by hardware security modules (HSMs) and are logically isolated to the Customer’s specific environment.
- Scope: This encryption applies to all persistent block storage (volumes) and object storage used by the Control Plane to store Customer models, metadata, and artifacts.

8.9 Encryption in Transit. All data moving between the Customer's Edge Nodes and the Scaleout Control Plane, as well as internal traffic within the Managed VPC, is encrypted in transit. Scaleout mandates the use of TLS 1.2 or higher (SSL) for all API communications and administrative access, ensuring that federated learning updates and metadata are protected from interception.

8.10 Data Sanitization and Logical Deletion. Upon termination of a Service or receipt of a deletion request for specific Customer Content, Scaleout shall perform a Logical Deletion of the associated data volumes via the IaaS provider's API. This action triggers the underlying IaaS provider's data sanitization protocols (designed to meet NIST 800-88 or equivalent industry standards for media sanitization), rendering the data unrecoverable within the cloud infrastructure. Scaleout confirms that all pointers to the Customer Content are removed from active system indexes during this process.

8.11 Log Retention and Auditability. Scaleout maintains centralized audit logs capturing administrative access, system events, and security-relevant actions within the Managed Deployment. Upon deprovisioning of a Customer-specific environment, Scaleout retains these system and security logs for a minimum period of twelve (12) months in Write-Once Read-Many (WORM) state. The logs are accessible to the Customer upon written request.

9. SUSPENSION OF SERVICE

Scaleout reserves the right to suspend service to the Software if: (i) Customer fails to comply with the Agreement and this Appendix, (ii) Customer exceeds set capability limits, or (iii) requests or usage deemed malicious in nature is identified to be sourced from Customer accounts, personnel, Nodes or systems. There will be a 30-day written notice before suspension, except in cases of security compromise of malicious activity.

10. DATA PORTABILITY AND EXIT PROCEDURES

10.1 Self-Service Export. For a period of thirty (30) days following termination ("Export Period"), Customer shall maintain limited access to the Control Plane solely for the purpose of exporting Customer Content. Customer may export data using the following standard methods:

- Models**:** Downloadable in original binary format via the WebUI, API and CLI.
- Metadata & Metrics**:** Exportable in JSON format via the API and CLI.

10.2 Bulk Export Services. Upon written request and subject to additional Professional Service fees, Scaleout can provide a full archive of the Customer's environment, including:

- A full export of the dedicated database.
- A complete snapshot of the Object Store.

Data can be provided via secure Cloud Storage transfer (e.g., S3/Azure Blob) or, if requested for security/size reasons, via encrypted physical storage media at the Customer's expense.

10.3 De-provisioning. After the Export Period, Scaleout will decommission the Managed Instance and permanently delete all associated Customer Content in accordance with the Data Santítization procedure outlined in 8.10.

11. SUPPORT

11.1 Support Availability and Channels

- Business Hours**:** 09:00 – 17:00 GMT, Monday through Friday, excluding public holidays.
- Channels**:** Support is accessible via designated Email, and a dedicated Slack/Discord/Teams channel.

11.2 Technical Account Manager (TAM) and after market support. Customer will be assigned a designated TAM to provide onboarding support, proactive guidance, architectural reviews, and regular health checks of the Scaleout Edge environment. The TAM will invite quarterly status update meetings to review progress, inform about updates and upgrades (Section 6), and provide input (as requested) on solution development.

11.3. Incident Priority Definitions and Response Time Table

Scaleout will categorize incidents based on the following criteria:

Priority	Definition
P1 - Critical	Total Outage: The Software is inoperable or a core function is unavailable for all users. No workaround is available.
P2 - High	Major Disruption: A significant feature is malfunctioning or performance is severely degraded. Operations are impacted but can continue with difficulty.
P3 - Normal	Minor Error: Individual features do not perform as expected, but a workaround exists or the issue affects a limited number of users.
P4 - Low	General Inquiry: Requests for information, documentation clarification, or minor feature enhancements.

11.4 Response Times

P1 Response	P2 Response	P3 Response	P4 Response
4 Hours	8 Hours	2 Business Days	5 Business Days

11.5 Technical Exclusions and Edge Node Specifics

- Control Plane vs. Edge Nodes: P1 (Critical) status is reserved exclusively for incidents where the central Control Plane is non-functional.
- Distributed Resilience: Given the distributed nature of Scaleout Edge, the failure or loss of connectivity of an individual Edge Node is classified as P3 (Normal), as the system is designed to maintain overall integrity despite localized node failures.

11.6 Out of Scope Services

The following items are considered outside the scope of standard support services:

- Solution development: Custom feature development, data science, consulting, or the integration with specific Customer workflows.
- On-site support: Technical assistance required at a Customer's physical location.

If a support request is determined to be Out of Scope, Scaleout will notify the Customer. Upon request, Scaleout can provide assistance for these items through a separate Statement of Work (SOW), subject to additional fees at Scaleout's then-current professional services rates.

11.7 Support Request Process

To receive Support Services, Customer must submit a support request through one of the following channels:

- Email: support@scaleoutsystems.com
- Private chat channel.
- Submission Requirements: Each request must include a description of the issue, the observed impact, and any relevant error logs or diagnostic data. The Response Time Target begins once Scaleout has received a complete support request containing the necessary information for triage.

11.8. Escalation Path

In the event a P1 or P2 incident is not acknowledged within the Response Time Target, Customer may initiate the following escalation path:

1. Level 1**:** Technical Account Manager (TAM) or Lead Support Engineer.
2. Level 2**:** Head of Engineering, CISO, CTO.

11.9 Service Level Remedies

If Scaleout fails to meet the P1 Response Time Target three (3) or more times in a single calendar quarter, Customer is entitled to a Service Level Review. This review will involve a joint meeting between authorized representatives of both parties to identify root causes and establish a remediation plan.

If Scaleout fails to meet the P1 Response Time Target three (3) or more times in a single calendar quarter, the Customer may be eligible for Service Credits:

- Calculation**:** Eligible Service Credits are calculated as 5% of the Monthly Subscription Fee for the month in which the third missed target occurred.
- Claim Process**:** Customer must submit a written claim for Service Credits within thirty (30) days of the end of the quarter in which the incidents occurred.
- Cap**:** Total Service Credits granted in any single month shall not exceed 20% of the Monthly Subscription Fee.
- Sole Remedy: The issuance of Service Credits shall be the Customer's sole and exclusive remedy for any failure by Scaleout to meet Response Time Targets.

11.10 Customer Obligations

In the event Customer does not reasonably comply with written specifications or instructions from Scaleout’s service engineers, regarding any support issue or request (each, a “Support Issue”), Scaleout may cease its support obligations to Customer with respect to such Support Issue upon fifteen (15) days written notice and Customer’s inability to cure such noncompliance within the notice period.