**Statement of Work (SOW)**

This Statement of Work ("SOW") is entered into as of **October 26, 2023** ("Effective Date"), by and between **InnovateTech Solutions Inc.** ("InnovateTech") and **Global Dynamics Corp.** ("Customer"), under the terms of the Master Services Agreement (MSA) dated January 15, 2022.

**1.0 Project Scope and Deliverables**

InnovateTech will provide its proprietary AI-powered logistics management platform, "Logi-AI Suite," along with associated hardware and professional services to integrate the platform into the Customer's existing supply chain systems.

The deliverables for this project are as follows:

* **1.1 Logi-AI Suite SaaS License:** A 3-year subscription license to the Logi-AI Suite, granting access for up to 500 users. The service includes standard support and maintenance, with monthly feature updates.
* **1.2 Hardware Provisioning:** InnovateTech will provide 200 proprietary "OptiScan-7" handheld scanners. These scanners are required for optimal use of the Logi-AI Suite's real-time inventory tracking features. Title and risk of loss for the scanners transfer to the Customer upon delivery.
* **1.3 Professional Services:** A one-time engagement for implementation, system integration, and on-site user training. While the Logi-AI Suite can be used without these services, the custom integration significantly enhances its core functionality by connecting directly to the Customer's ERP system. These services are considered complete upon Customer's written acceptance.

**2.0 Fees and Payment Schedule**

* **2.1 Logi-AI Suite SaaS License:** $240,000 per year. The first year's fee is due and payable Net 30 from the Effective Date. The fees for Year 2 and Year 3 are due at the beginning of each respective contract year.
* **2.2 Hardware (OptiScan-7 Scanners):** A one-time fixed fee of $50,000. This fee is due and payable Net 30 from the Effective Date.
* **2.3 Professional Services:** A one-time fixed fee of $75,000. This fee is due and payable Net 30 from the Effective Date.
* **2.4 Performance Bonus:** InnovateTech is eligible for a one-time $30,000 performance bonus if the Customer achieves a documented 15% reduction in shipping costs within the first 12 months of platform use, as measured by the Customer's internal reporting systems. InnovateTech has a history of achieving this metric with 80% of its customers of a similar size.
* **2.5 Bundle Discount:** The total fees outlined above reflect a 10% discount on the standard standalone list prices for the hardware and services. The SaaS license is priced at its standard standalone rate.

**3.0 Term and Timeline**

* **3.1 Term:** The term for the SaaS License is 36 months, commencing on the Effective Date. However, the contract can be terminated for convenience with a 30-day notice.
* **3.2 Timeline:**
  + Hardware Delivery: Within 14 days of the Effective Date.
  + Professional Services: To be completed within 60 days of the Effective Date.

**4.0 Acceptance Criteria**

* Successful delivery of all 200 OptiScan-7 scanners to the Customer's designated facility.
* Written sign-off from the Customer's Project Manager confirming the completion and acceptance of the Professional Services outlined in section 1.3.