Supplier Purchase Order Terms and Conditions

CTE Technology, Inc. | Version 1.0 | Effective October 28, 2026

1 Application and acceptance. These terms apply when incorporated into a purchase order (PO) issued by CTE Technology, Inc. (CTE) to Supplier. The PO is an offer limited to its terms and these incorporated terms. Supplier accepts by written acknowledgment or beginning performance after receipt. CTE objects to additional or conflicting Supplier terms; exceptions require CTE's written agreement before affected work begins. Priority is: mutually signed agreement; mutually agreed written changes; the PO and express attachments; then these terms. Technical documents govern technical requirements only unless expressly agreed otherwise. The version incorporated at acceptance governs; website changes do not retroactively amend existing POs.

2 Price and payment. PO prices are firm. Extra charges, substitutions, overruns, and advance shipments require CTE's written approval. Supplier must separately identify applicable taxes and honor valid exemptions. Unless otherwise stated, payment is due 30 calendar days after receipt of both a correct invoice and the applicable goods or completed services. Invoices must identify PO number, line item, part number, quantity, and price. CTE will promptly identify disputes and pay undisputed amounts when due. Payment does not constitute final acceptance or waive warranty rights.

3 Delivery and risk. PO delivery dates and quantities are material requirements. Supplier must promptly report actual or anticipated delays, causes, and a recovery plan. Partial or early shipments require approval. Unless otherwise stated, delivery is FOB destination, CTE's designated receiving location, under the Texas UCC; Supplier bears transit risk and includes ordinary freight in the price. Title passes on delivery, free of liens. Supplier bears reasonable expedited freight needed to meet the agreed date when Supplier causes delay, subject to CTE's duty to mitigate.

4 Quality and authenticity. Unless expressly authorized otherwise, goods must be new, authentic, unused, and conform to the PO, approved drawings, specifications, revisions, and standards. Electronic components must come from original manufacturers or authorized distributors unless CTE approves another source in writing. Changes to parts, materials, processes, manufacturing locations, or relevant sub-tier sources that alter an agreed requirement require prior written approval. Supplier must provide certificates of conformity, manufacturer traceability, test reports, safety information, and other records required by the PO or law. Promptly report suspected counterfeits, known nonconformities, or safety issues affecting delivered or pending goods. Packaging must prevent damage, contamination, corrosion, and electrostatic discharge as applicable. Meet stated remaining shelf-life requirements.

5 Inspection and nonconforming goods. CTE may inspect within a reasonable time after receipt; inspection or payment does not waive latent defects or warranty claims. CTE may reject nonconforming goods, require timely correction or replacement, or cancel the affected portion for a refund. Supplier bears reasonable transport and handling costs for confirmed nonconformity. If Supplier fails to remedy within a reasonable time after notice, CTE may obtain substitute performance and recover reasonable documented incremental costs allowed by law, subject to mitigation and no duplicate recovery. Supplier must provide reasonably requested containment and corrective action information. When expressly required by the PO, permit reasonable scheduled access to relevant facilities and records by CTE, its customer, or an authorized regulator, subject to lawful security and confidentiality protections. Customer access does not authorize direction of Supplier's work.

6 Warranty. Supplier warrants conformity to agreed requirements; goods free of material and workmanship defects, merchantable, and with good title free of liens; and competent, professional services. Fitness for a particular purpose is warranted only when CTE discloses the purpose and Supplier agrees in writing to suitability. Unless the PO provides longer coverage, the express warranty lasts 12 months after delivery to CTE; repaired or replaced items carry the remaining original period or 90 days after redelivery, whichever is longer. Express remedies supplement applicable legal rights. Supplier is responsible for its designs, but not defects caused solely by unchanged CTE-required designs, except known material issues Supplier failed to disclose.

7 Changes and cancellation. Only an authorized CTE representative may approve PO changes. Supplier must promptly identify cost and schedule effects and obtain written agreement before changed work; informal instructions from others do not authorize extra charges. CTE may cancel all or part for convenience by written notice. Supplier must stop affected work, mitigate commitments, and submit a documented claim within 30 days or a longer agreed period. CTE pays for conforming completed goods and reasonable unavoidable costs of authorized work in process and noncancelable materials, less avoided costs, reuse, returns, and recoveries. No duplicate recovery or profit on unperformed work is allowed; settlement cannot exceed the canceled PO balance. Paid materials and work in process must be made available on request. CTE may cancel for material breach not cured within 10 business days after written notice, or a reasonable shorter period for urgent safety or delivery issues. Legal remedies remain subject to mitigation and no duplicate recovery.

8 CTE property and confidential information. CTE and its customers retain ownership of supplied property, designs, drawings, tooling, data, and materials. Supplier must identify, safeguard, and use them only for the PO, not pledge or dispose of them, and return them on request subject to law. Supplier must promptly report loss or damage and is responsible to the extent caused by failure to use reasonable care. Supplier must reasonably protect CTE's and its customers' nonpublic information, use it only for the PO, and disclose it only to persons with a need to know and confidentiality duties. Exceptions cover information lawfully public, previously known, independently developed, or lawfully received without restriction. Required disclosure is permitted with advance notice when lawful. Duties last three years after completion; trade secrets remain protected while legally applicable. A signed NDA controls conflicts. Public use of CTE or customer names or logos requires written consent. Each party retains preexisting IP. Custom engineering, software, tooling, and other deliverable ownership and licensing must be expressly agreed; payment alone does not transfer all IP. Supplier grants rights reasonably necessary to use and resell purchased goods and embedded standard software for their intended purpose.

9 Compliance and records. Supplier must comply with applicable laws and notify CTE before transferring export-controlled data or items requiring special handling or authorization. RoHS, REACH, conflict-minerals reporting, customer flow-downs, certification, and special retention requirements apply when stated in the PO or independently required by law. Supplier must not misrepresent its or CTE's certifications. Retain supporting quality and traceability records for the PO period or, if unspecified, three years after final delivery, subject to longer legal requirements. Supplier remains responsible for subcontractors and must flow down applicable requirements. Subcontracting that changes an approved source or restricted process requires prior written approval.

10 Third party claims and liability. Supplier will defend and indemnify CTE against third-party bodily injury or tangible property damage claims to the extent caused by Supplier's negligence or willful misconduct, and infringement claims from Supplier designs or goods, excluding infringement caused solely by CTE-mandated designs, unauthorized modifications, or combinations not reasonably contemplated by the PO. CTE must promptly notify Supplier, allow defense control with competent counsel, and reasonably cooperate at Supplier's expense. Settlement requires CTE's written consent if it admits CTE fault, imposes nonmonetary duties, or fails to release CTE. Indemnity excludes CTE's own negligence or willful misconduct.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, NEITHER PARTY IS LIABLE FOR INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES OR LOST PROFITS. THIS EXCLUSION DOES NOT LIMIT EXPRESS THIRD-PARTY INDEMNITY, CONFIDENTIALITY BREACH, FRAUD, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR LIABILITY THAT CANNOT LAWFULLY BE LIMITED. REASONABLE DIRECT INSPECTION, SORTING, REWORK, AND SUBSTITUTE PROCUREMENT COSTS CAUSED BY SUPPLIER'S BREACH ARE NOT EXCLUDED MERELY BECAUSE THEY ARISE AFTER DELIVERY.

11 Force majeure and general terms. A party affected by events beyond reasonable control must promptly notify the other, explain the expected effect, and mitigate delay. Lack of funds or ordinary price increases alone do not excuse performance. CTE may obtain alternate supply and cancel affected unperformed quantities without penalty after 30 days of interruption, paying for conforming goods already delivered and accepted. Texas law governs, excluding conflict-of-laws rules and the UN Convention on Contracts for the International Sale of Goods. Venue is state courts in Travis County, Texas, or the federal court serving that county, subject to jurisdiction. Assignment requires consent, not unreasonably withheld, except to a successor acquiring substantially all relevant business assets and assuming obligations. Waivers must be written; invalid terms are limited or severed as lawful. Electronic signatures and counterparts are permitted. Notices to PO contacts are effective on confirmed receipt.