Customer Terms and Conditions of Sale

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

1 Application and agreement. These terms govern CTE Technology, Inc.'s (CTE) commercial sales when incorporated into a quotation, order acknowledgment, or written agreement (Order). CTE's acceptance is expressly conditional on Customer's assent to these terms; CTE objects to additional or conflicting terms unless expressly accepted by an authorized CTE representative in writing. Resolve conflicts before performance. Priority is: mutually signed agreement; mutually agreed written changes; CTE's accepted quotation and acknowledgment; these terms; then Customer's PO for agreed quantities, pricing, delivery, and technical requirements. Technical specifications do not change commercial terms.

2 Quotations and scope. Unless stated otherwise, quotes are valid for 30 calendar days, subject to CTE's order acceptance, material availability, and stated assumptions. Prices exclude taxes, freight, insurance, certification, and unlisted services. Pricing will detail tooling, programming, testing, and development charges. Customer must provide complete drawings, BOMs, approved manufacturers, revisions, acceptance criteria, testing, and special handling requirements before acceptance. Customer is responsible for design and the accuracy, suitability, and lawful use of its instructions. Manufacturability advice does not transfer design responsibility. CTE performs only agreed inspections and tests; no IPC class, certification, regulatory approval, or qualification is included unless agreed in writing.

3 Changes and pricing. Changes to specifications, quantities, sources, testing, packaging, or delivery require written agreement on price, schedule, and material disposition. CTE may pause affected work pending resolution. Customer pays reasonable documented change costs, including obsolete material and completed work. CTE will notify Customer of material cost, tariff, or availability changes; price adjustments require written approval before additional costs are incurred. If agreement is not reached, affected unperformed work may be canceled subject to Section 8. No unauthorized component substitution or revision change is permitted.

4 Payment and taxes. First-time customers must pay 50% of quoted pricing in advance. Other deposits and payment schedules are stated in the Order. CTE may, in its sole discretion, approve net 30 credit terms from invoice date and, after one year of favorable credit history, net 45 terms. Credit terms are not automatic. CTE may require advance payment or reasonable assurance if credit materially deteriorates or payment is overdue. Customer must promptly explain invoice disputes and pay undisputed amounts when due; latent-defect rights remain. Overdue undisputed balances may accrue simple interest at the lesser of 1% monthly or the lawful maximum. Customer pays applicable transaction taxes unless validly exempt; each party pays its own income and property taxes. After written notice and reasonable opportunity to cure, CTE may suspend work or delivery and recover reasonable lawful collection costs.

5 Materials and customer property. Customer must supply identified, properly packaged material, required records, and sufficient quantities with agreed setup and process allowances. CTE will use best efforts within the agreed incoming inspection scope to discover discrepancies and counterfeit parts and notify Customer of issues affecting production; hidden defects or counterfeits are not guaranteed to be detected. Customer retains ownership of its property. CTE will safeguard it with reasonable care and is responsible for loss or damage caused by failure to do so. Customer bears risks from inherent defects, shortages, unsuitable Customer packaging, and authorized testing or agreed consumption. Agree on special insurance for unusually valuable property before delivery. Customer is responsible for parts it supplies or directs CTE to buy over CTE's written objection. CTE remains responsible for workmanship and agreed sourcing; transferable supplier warranties are passed through.

6 Delivery and shipment. Dates are estimates unless accepted as firm in writing and depend on timely payment, documentation, material, and decisions. CTE will report known material delays; partial deliveries require approval unless permitted by the Order. Unless agreed otherwise, shipment is FOB CTE's facility, Austin, Texas, under the Texas UCC; title to CTE-supplied goods and transit risk pass upon delivery of conforming goods to the carrier. Customer pays freight and requested insurance, reports transit damage to the carrier, and promptly notifies CTE; CTE will assist. International terms require a named place and Incoterms edition. Shipping holds do not defer amounts due; reasonable storage charges require 30 days' written notice and advance agreement on rates.

7 Inspection and limited warranty. Customer must report visible defects, shortages, or incorrect items within 10 business days of receipt; acceptance does not waive covered latent defects. CTE warrants workmanship will conform to agreed written specifications and acceptance criteria for 12 months after shipment. Exclusions apply only to defects caused by Customer design, defective Customer material, unauthorized repair or modification, misuse, improper installation, operation outside specifications, or normal wear. Notify CTE within the warranty period and obtain return authorization. CTE may repair, replace, or refund the affected price and pays reasonable return and replacement freight for confirmed covered defects. Other evaluation or repair charges require approval. Repairs carry the remaining warranty or 90 days after return shipment, whichever is longer.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXCEPT FOR EXPRESS WARRANTIES IN THE ORDER AND THESE TERMS, CTE DISCLAIMS ALL OTHER WARRANTIES, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CTE DOES NOT WARRANT CUSTOMER DESIGN OR END USE. REPAIR, REPLACEMENT, OR REFUND IS THE EXCLUSIVE WARRANTY REMEDY, SUBJECT TO APPLICABLE LAW.

8 Cancellation and material commitments. Cancellation and rescheduling require written agreement; requests within 20 days of scheduled delivery require CTE's express consent. Unless otherwise agreed, only one reschedule is permitted. Customer pays for conforming completed goods, work in process, and reasonable documented, authorized material and supplier commitments that cannot reasonably be canceled, returned, or reused, plus actual reasonable cancellation charges. CTE will mitigate costs and credit recoveries and avoided costs without duplicate recovery. Forecasts are nonbinding absent written purchase or material authorization. Authorized customer-specific materials remain chargeable if production does not occur. After payment, Customer may obtain settled materials and work in process, subject to third-party rights and shipping costs.

9 Confidentiality and intellectual property. Each party will reasonably protect the other's nonpublic information, use it only for the Order, 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 legal disclosure is permitted with advance notice when lawful. Duties last three years after completion; trade secrets remain protected while legally qualifying. A signed NDA controls conflicts. Each party retains preexisting IP; Customer retains its designs, and CTE retains manufacturing methods, know-how, software, and reusable tools. Customer authorizes use of its materials for performance and receives rights needed to use purchased deliverables. Custom software, fixtures, engineering, and tooling ownership and licensing must be stated in the Order.

10 Third party claims. Customer will defend and indemnify CTE against third-party IP infringement claims caused by Customer designs, specifications, or materials, excluding CTE's unauthorized changes or independent technology. CTE must promptly notify Customer, allow Customer to control the defense with competent counsel, and reasonably cooperate at Customer's expense. Settlement requires CTE's consent if it admits CTE fault, imposes nonmonetary duties, or fails to release CTE. Neither party indemnifies the other for the other's negligence or willful misconduct under this section.

11 Liability limits. TO THE MAXIMUM EXTENT PERMITTED BY LAW, CTE IS NOT LIABLE FOR LOST PROFITS, REVENUE, OR USE, OR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, UNDER ANY LEGAL THEORY, EVEN IF ADVISED OF THE POSSIBILITY. CTE'S AGGREGATE LIABILITY FOR AN ORDER IS LIMITED TO ITS TOTAL PRICE PAID OR PAYABLE. THESE LIMITS EXCLUDE FRAUD, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, AND LIABILITY THAT CANNOT LAWFULLY BE LIMITED. WARRANTY REMEDIES REMAIN SUBJECT TO APPLICABLE LAW, INCLUDING FAILURE OF ESSENTIAL PURPOSE.

12 Compliance and force majeure. Each party must comply with laws applicable to its performance. Customer must disclose intended uses and special regulatory, export, traceability, safety, and quality requirements before acceptance. ITAR-controlled work, special industry qualification, or product certification requires express written agreement and confirmed authorization; ordinary order acceptance does not undertake these obligations. Customer retains product approval and end-use responsibility except as expressly assigned to CTE. Neither party is liable for delay beyond reasonable control if it promptly notifies the other and mitigates effects. Ordinary cost increases or lack of funds alone do not excuse performance; accrued payments remain due. After 60 days of material interruption, either party may terminate affected unperformed work, with settlement under Section 8.

13 General provisions. 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. Representatives will first attempt good-faith resolution without delaying urgent relief or preservation of rights. Assignment requires consent, not unreasonably withheld, except to a successor assuming obligations and substantially all relevant assets. CTE may use qualified subcontractors, remaining responsible and honoring Order restrictions. Waivers must be written; invalid terms are limited or severed as lawful. Electronic signatures and counterparts are permitted. Notices to Order contacts are effective on confirmed receipt. The incorporated version governs each Order; later website revisions apply only to later Orders unless mutually agreed.