ELITE MOLD & ENGINEERING, INC.

TERMS AND CONDITIONS OF SALE

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51548 Filomena Drive • Shelby Township, MI 48315

These Terms and Conditions of Sale apply to quotations, purchase orders, tooling, molds, manufactured products, engineering services, and other goods or services supplied by Elite Mold & Engineering, Inc. ("Seller" or "Elite") to its customer ("Purchaser").

1. QUOTATIONS AND ACCEPTANCE

The prices, specifications, and terms contained in Seller's quotations are not subject to verbal changes or other agreements unless approved in writing by an authorized representative of Seller.

Seller's quotation, these Terms and Conditions, and any additional written agreements expressly accepted by Seller constitute the agreement between the parties regarding the goods and services described.

Seller's acceptance of a purchase order, commencement of work, or shipment of products shall not constitute acceptance of conflicting or additional Purchaser terms.

Quotations remain valid for the period specified and may be revised or withdrawn before acceptance. Seller may require written purchase-order acknowledgment before commencing work.

2. PRICING, MATERIAL AVAILABILITY, AND DELIVERY

All quotations, pricing, lead times, and delivery schedules are contingent upon material availability, labor availability, supplier performance, transportation conditions, utility interruptions, strikes, accidents, fires, governmental actions, and other causes beyond Seller's reasonable control.

Prices are based upon costs, conditions, specifications, and production requirements existing on the quotation date.

Material price increases, supplier changes, extraordinary freight charges, and changes in applicable requirements may result in revised pricing before order acceptance. After acceptance, price adjustments require an applicable contractual basis or written agreement.

Delivery dates are estimates and are not guaranteed unless specifically agreed to in writing.

Seller shall not be liable for delays caused by circumstances beyond its reasonable control, subject to applicable law and the parties' expressly agreed obligations.

3. CUSTOMER DESIGN RESPONSIBILITY

Unless specifically agreed to in writing, Purchaser retains responsibility for the design, engineering, material selection, specifications, structural integrity, functionality, and intended performance of its products.

Seller manufactures tooling, molds, and plastic components based upon customer-supplied or customer-approved drawings, CAD models, material specifications, and related technical information.

Seller's acceptance of these specifications does not constitute verification, certification, or approval of the underlying product design.

Seller is not responsible for independently determining whether a customer-designed product meets its intended application, operating conditions, mechanical requirements, regulatory requirements, or product performance expectations, except for responsibilities expressly accepted by Seller in writing.

Purchaser is responsible for ensuring that its designs and material selections are suitable for the intended application.

4. DESIGN FOR MANUFACTURABILITY (DFM) REVIEWS

Any Design for Manufacturability (DFM) review, moldability assessment, technical recommendation, or engineering feedback provided by Seller is intended to assist with manufacturing feasibility.

A DFM review does not constitute a comprehensive product design validation or a guarantee that all potential design or manufacturing concerns have been identified.

Unless specifically included in a separately agreed written scope of work, Seller is not obligated to independently identify every possible design deficiency, including excessive or insufficient wall thickness, improper or insufficient draft angles, sink marks, warpage, shrinkage, dimensional instability, material selection or material performance limitations, part geometry, structural integrity, load-bearing deficiencies, product functionality, fitness for intended application, resin manufacturer's design recommendations, or conditions that may require subsequent product design modifications.

The scope of any DFM review is limited to the specific features, conditions, and recommendations expressly evaluated and communicated by Seller. Any DFM recommendation is subject to Purchaser's review and approval.

Seller's participation in technical discussions or provision of manufacturing recommendations shall not independently transfer product design responsibility to Seller. Seller remains responsible for its expressly agreed manufacturing obligations.

5. ENGINEERING CHANGES AND DESIGN DEFICIENCIES

Any engineering changes, drawing revisions, specification changes, material substitutions, qualification requirements, validation requirements, packaging changes, or Purchaser-requested modifications occurring after quotation or order acceptance may result in revised pricing, tooling charges, lead times, and delivery schedules.

Changes necessary to correct or improve Purchaser's product design, including changes resulting from unsuitable wall thickness, material selections, product geometry, performance requirements, or other customer-design conditions, shall be the financial responsibility of Purchaser unless otherwise agreed in writing.

Associated costs may include engineering time, tooling modifications, additional machining, additive manufacturing, materials, sampling, inspection, testing, validation, and production interruptions.

Seller reserves the right to submit revised pricing and obtain written authorization before proceeding with additional work.

Changes required solely to correct Seller's failure to meet expressly agreed manufacturing obligations shall remain Seller's responsibility, subject to the agreement and applicable law.

6. TOOLING DESIGN, CONSTRUCTION, AND PERFORMANCE

Unless otherwise agreed in writing, Seller retains responsibility for determining appropriate mold construction and manufacturing methods to produce components according to the agreed specifications.

Tooling methods may include conventional machining, additive manufacturing, interchangeable inserts, handloads, or other processes considered appropriate by Seller.

Prototype, bridge-production, and production tooling classifications shall be identified in Seller's quotation where applicable.

Any estimated tool life, cycle count, production capacity, or performance expectation is based on anticipated operating conditions and shall not constitute a guarantee unless expressly agreed in writing.

Additional tooling maintenance, refurbishment, replacement inserts, repairs, and engineering changes may be subject to additional charges.

7. TOOLING PAYMENT MILESTONES AND ACCEPTANCE

Tooling payment terms shall be as stated in Seller's quotation or another written agreement accepted by Seller.

Unless expressly agreed otherwise, payments tied to tooling milestones become due upon completion of the designated milestone.

For quotations specifying payment at T1, the T1 milestone shall mean completion of the initial tooling trial and production or attempted production of the agreed initial samples, with reasonable documentation of the trial results.

Customer product approval, production qualification, additional engineering changes, or subsequent sample evaluations shall not automatically postpone an otherwise earned tooling milestone payment.

A T1 milestone shall not be deemed completed solely through an unsuccessful trial caused by Seller's failure to satisfy expressly agreed tooling requirements.

Additional trials or modifications resulting from Purchaser's product design changes, specification revisions, or material changes may be separately quoted.

Tooling acceptance and product approval requirements shall be defined in writing where applicable.

8. MANUFACTURING TOLERANCES AND INSPECTION

Unless otherwise specifically agreed in writing, quoted pricing is based upon commercially reasonable manufacturing tolerances.

Dimensions requiring tolerances tighter than ±0.004 inch may require additional tooling, processing, inspection, validation, and associated costs.

Where specific tolerances are identified in an accepted drawing, quotation, or other written agreement, those agreed requirements shall control.

Additional inspection requirements, first-article inspection reports, dimensional layouts, capability studies, PPAP documentation, material certification, or other validation services must be identified before quotation acceptance and may involve additional charges.

9. CUSTOMER-SUPPLIED MATERIALS

When Seller's quotation specifies materials, components, packaging, inserts, or other items furnished by Purchaser, reasonable allowances shall be made for setup, startup, testing, validation, purge, production scrap, spoilage, and quality verification.

Purchaser-supplied materials are accepted without warranty by Seller.

Seller shall not be responsible for defects, contamination, processing difficulties, material inconsistencies, performance issues, delays, or nonconforming products resulting from Purchaser-supplied materials, except to the extent caused by Seller's failure to meet its agreed handling or manufacturing obligations.

Purchaser remains responsible for the suitability and quality of supplied materials.

10. TOOLING OWNERSHIP AND PAYMENT

All tooling, molds, fixtures, gauges, checking devices, programs, and related manufacturing aids produced by Seller shall remain Seller's property until paid in full, unless otherwise agreed in writing.

Seller reserves all legally available rights regarding possession and release of tooling or other property for which amounts remain unpaid.

Payment for tooling does not automatically transfer ownership of Seller's independently developed manufacturing know-how, proprietary software, processes, or other intellectual property.

Ownership and transfer of specific CAD files, mold designs, production programs, and other technical deliverables shall be determined by the applicable written agreement.

11. CUSTOMER-OWNED TOOLING AND STORAGE

Customer-owned tooling, molds, fixtures, gauges, resin, inserts, packaging, components, and related property stored by Seller shall be maintained under commercially reasonable storage and handling practices, subject to any additional written agreement.

Seller shall not be responsible for normal deterioration, corrosion, aging, or other conditions beyond its reasonable control, except to the extent liability results from Seller's failure to exercise its agreed standard of care.

Seller reserves the right to assess reasonable storage fees for customer-owned property maintained beyond normal production requirements, following appropriate notification.

Routine storage shall not be interpreted as an obligation to provide unlimited maintenance, preventive maintenance, refurbishment, or repair without charge.

12. INACTIVE TOOLING AND PROPERTY DISPOSAL

Customer-owned molds, tooling, fixtures, gauges, inserts, resin, packaging, components, and related materials that have not been utilized in production or associated with an active customer purchase order for three consecutive years may be designated inactive.

Seller will send written notification to Purchaser at its last known business or designated contact address requesting disposition instructions before disposing of customer-owned property.

Purchaser shall have sixty (60) calendar days after the notice is sent to arrange retrieval, authorize disposal, or enter into an acceptable storage agreement, subject to any longer period required by law or contract.

If Purchaser fails to respond within the notification period, Seller may pursue lawful storage, return, disposal, or other remedies, subject to applicable law and contractual restrictions.

Reasonable expenses associated with packaging, transportation, preparation, storage, or authorized disposal may be charged to Purchaser.

This section is subject to any applicable customer-specific or government-contract property requirements.

13. PRODUCT INSPECTION, WARRANTY, AND CLAIMS

Purchaser shall inspect goods promptly upon delivery and notify Seller in writing of reasonably discoverable nonconformities within thirty (30) calendar days after receipt. For a nonconformity not reasonably discoverable through customary incoming inspection, Purchaser shall notify Seller promptly after discovery and, in any event, within twelve (12) months after delivery, except where a different period is required by law or expressly agreed in writing.

Claims shall identify the affected parts, quantities, order information, and nature of the alleged nonconformity.

Seller warrants that goods and services supplied shall conform to the expressly agreed manufacturing requirements, subject to the applicable contract and law.

This warranty does not extend to failures attributable to defective customer designs, unsuitable customer-specified materials, misuse, improper storage, unauthorized modification, or operating conditions beyond the agreed specifications, except to the extent caused by Seller's breach of its obligations.

For verified nonconformities for which Seller is responsible, Seller shall, at its option and subject to applicable law, repair or rework the affected goods, replace them, or credit/refund the price paid for the affected goods. Purchaser shall provide a reasonable opportunity to examine the goods before returning or disposing of them, and no return may be made without Seller's written authorization. Any exclusive-remedy limitations remain subject to applicable law.

Except for the express conformity warranty stated in this section and to the extent permitted by law, Seller disclaims other warranties, including implied warranties of merchantability and fitness for a particular purpose. No warranty is made regarding the fitness of a customer-designed product for its intended use. This disclaimer does not exclude any obligation that cannot lawfully be disclaimed.

14. LIMITATION OF LIABILITY

To the fullest extent permitted by applicable law, Seller's total liability arising from any quotation, order, tooling, product, service, or agreement shall be limited to the purchase price of the affected goods or services, except for liabilities that cannot lawfully be limited.

Under no circumstances shall Seller be liable for indirect, consequential, incidental, special, punitive, exemplary, or lost-profit damages, to the extent such exclusions are enforceable.

Any agreed exceptions to these limitations shall be specifically identified in writing.

15. PAYMENT TERMS AND SUSPENSION OF WORK

Payment terms shall be as stated in Seller's quotation or written order acknowledgment.

Past-due balances may be subject to a service charge of 1.5% per month, or the maximum amount permitted by law, whichever is less.

Purchaser agrees to pay reasonable costs incurred by Seller in collecting delinquent amounts, including attorney fees, court costs, and collection expenses, to the extent permitted by applicable law.

If Purchaser fails to make payments when due, Seller may, following any notice required by law or the applicable agreement, suspend production, delay shipments, discontinue additional work, or require revised payment arrangements.

Schedule impacts resulting from an authorized suspension may require revised delivery dates and additional reasonable costs.

Seller shall not be obligated to provide additional credit beyond terms expressly approved in writing.

16. TOOLING RELEASE AND TRANSFER

Customer-owned tooling, molds, fixtures, and related property shall be released or transferred in accordance with the parties' written agreements and Seller's lawful rights regarding unpaid balances.

Purchaser shall be responsible for agreed preparation, packaging, freight, insurance, and transportation expenses associated with tooling transfers.

Prior to shipment, the parties may conduct a documented tooling condition assessment.

Seller makes no guarantee of tooling performance following relocation, modification, improper installation, or operation by another supplier, except for obligations expressly agreed in writing.

17. INTELLECTUAL PROPERTY AND CUSTOMER SPECIFICATIONS

Purchaser assumes responsibility for patent, trademark, copyright, trade secret, and other intellectual property infringement claims arising from products manufactured to Purchaser's specifications, drawings, models, or instructions.

To the extent permitted by law, Purchaser agrees to defend, indemnify, and hold Seller harmless from such claims, except where the infringement arises from Seller's independently developed designs or unauthorized modifications.

Seller retains ownership of its proprietary manufacturing processes, tooling techniques, know-how, and intellectual property unless otherwise expressly agreed in writing.

18. SPECIAL REGULATORY AND QUALITY REQUIREMENTS

Any ITAR, EAR, DPAS, customer-specific aerospace, defense, automotive, medical, or other regulatory or quality requirements must be disclosed and expressly accepted by Seller before order acceptance.

Requirements for traceability, documentation, inspection, material certifications, cybersecurity, special testing, or additional quality systems may require separate review, pricing, and written agreement.

Seller's acceptance of an order shall not automatically constitute acceptance of additional supplier manual provisions, government flow-down clauses, or regulatory requirements not expressly included in the agreed contractual documentation.

This provision does not waive any laws or regulations independently applicable to Seller.

19. CUSTOMER PURCHASE ORDERS AND CONFLICTING TERMS

Terms inconsistent with these conditions, including those contained in Purchaser's purchase orders, supplier manuals, acknowledgments, website terms, quality agreements, or other documents, shall not be binding upon Seller unless specifically accepted in writing by an authorized representative of Seller, to the extent permitted by applicable law.

Where Seller has expressly agreed in writing to differing terms, the signed agreement or written amendment controls to the extent of that conflict, followed by Seller’s written quotation or order acknowledgment and then these Terms and Conditions. Purchaser’s unaccepted boilerplate does not amend Seller’s terms; the effect of exchanged forms remains subject to applicable law.

No employee, salesperson, or other representative is authorized to modify these Terms and Conditions without written approval from an authorized representative of Seller.

20. GOVERNING LAW AND DISPUTE RESOLUTION

Unless otherwise specifically agreed in writing, the parties intend their contractual relationship to be governed by the laws of the State of Michigan, without regard to conflict-of-law principles, subject to applicable mandatory law.

To the extent permitted by applicable law, the state courts located in Macomb County, Michigan, and the federal court having jurisdiction over Macomb County shall have exclusive jurisdiction over disputes arising from the parties’ transactions, and Purchaser consents to personal jurisdiction and venue in those courts.

21. GENERAL PROVISIONS

If any provision of these Terms and Conditions is determined to be invalid or unenforceable, the remaining provisions shall remain effective to the extent permitted by law.

Seller's failure to enforce a provision on one occasion shall not automatically constitute a waiver of its right to enforce that provision in the future.

Any conditions not specifically addressed herein shall be governed by the applicable written agreement, applicable law, and relevant industry standards and established trade practices.

END OF TERMS AND CONDITIONS