



HLH Mold Technology Co Ltd Limited TERMS & CONDITIONS

1. GENERAL PROVISIONS

HLH Prototypes Co Ltd (HLH) Limited Terms and Conditions contains the entire terms and conditions associated with all transactions. HLH objects to any different or additional terms or conditions contained in any request for quotation, purchase order or other document of the CLIENT, and no such different or additional terms shall be effective or binding upon HLH unless agreed to in writing and signed by an officer of HLH. If the CLIENT issues a purchase order or other writing addressing the subject matter of this transaction, that writing shall be for the CLIENT's internal purposes only and the terms and conditions contained therein shall have no force or effect.

2. QUOTATIONS and PRICES

2.1 All quotations are based on current rates for labor, materials and overheads and with the understanding that the goods will be exported out of China. Quotations shall be valid for 14 days from the date upon which they were given, after which period they are subject to confirmation.

2.2 A quote is provided based on the 3D CAD model and detailed 2D drawings. Budgetary quotes may be generated based on dimensional prints, pictures, photos, 3D models or other parts representations, but quote will not be binding until final review of 3D CAD model. Any change to the 3D CAD model will require an updated quote. HLH reserves the right to inform CLIENT of lead-time changes at placement of order. Quoted lead times reflect rapid tooling completion and T1 sample dates. Molding would require additional lead time. Lead time **starts from** Design for Manufacturing (DFM) confirmation.

2.3 Quotations are based on the 3D CAD model and material specification provided or approved by the CLIENT, including tooling and molding quotation. CLIENT is responsible for ensuring that properties and performance of the resin selected meet the requirements of their application. Since dimensional tolerances are highly dependent on the material selected and on the part design, HLH will not guarantee that a specific tolerance will be met. Tool life is highly dependent on part design and material selection and any tool life estimations provided, either written or oral, are estimations only and may or may not be accurate. Unless negotiated otherwise, tooling life will not be guaranteed.

2.4 All quotations are based on our general tolerances unless drawings with tolerances are supplied. We use ISO DIN 2768 (f) for precision machined, metal parts, and ISO DIN 2768 (m)

for machined plastic parts. Vacuum cast parts are produced to a tolerance of 0.15% the nominal dimensions as a general rule. Our tolerances are in line with industry standards.

2.5 The CLIENT must issue a hard or soft copy purchase order to HLH prior to project kick-off. Project start will begin on the receipt of final part data file. Revised part data received after project kick-off may affect pricing and lead time. In the event of design changes after receipt of a purchase order, the CLIENT agrees to pay any additional cost that HLH may incur. For example if we start or even complete a job, and must re-start due to design changes, the CLIENT agrees to pay for the costs incurred.

2.6 Miscellaneous expenses (such as courier, shipping & handling, special packaging, etc.) are not included in quoted price and might be charged for additionally. The CLIENT shall pay all duties and sales, excise, use or other taxes arising in connection with this transaction (other than taxes based solely on HLH's taxable income). Extra meetings, travel, time spent in travel and vendor liaison other than described in this quotation are at extra cost and will be billed to the CLIENT at standard hourly rate.

3. PAYMENT TERMS

3.1 All new CLIENT shall pay according to HLH standard payment terms unless otherwise agreed.

3.2 For tooling projects, terms for payment will be 50% deposit due at project start. Balance to be paid upon approval of tooling sample, sample confirmation will be assumed as the acceptance of the tools by the CLIENT, the ownership of the tools will be transferred to the CLIENT once HLH get paid fully. For the convenience of part production, the CLIENT agrees to place the tools with HLH and this shall not affect the CLIENT'S responsibility to pay for the tools.

3.3 The quantity of sample supplied for tooling confirmation is based on the actual situation and is understood to be 10pcs as standard or other quantities as agreed by both parties.

3.4 If no feedback regarding to quality or other technical issues related to the tools manufactured received within 14 days after latest sample shipment, or the CLIENT gives instruction for proceeding manufacturing of molding, it would assumed as sample has been approved and the tool is accepted by the CLIENT, and the balance 50% is deemed as payment due.

3.5 50% deposit to be received within 5 days of kick-off date or project will be placed on hold without notice. CLIENT is required to pay in full of all delinquent invoices prior to shipment of any sample or finished goods.

4. QUALITY

If there is any quality problem, due to the characteristics of materials used for the sample/part and other reasons, the CLIENT shall raise it within 7 days after shipment of sample, otherwise it would be deemed that the CLIENT accept the sample or finished goods.

5. COPYRIGHT

5.1 HLH assumes no responsibility for the design of the goods that are subject of this transaction. To the extent that HLH recommends design modifications or provides design analysis, simulation or advice, they do so to help meet the requirements of HLH's own manufacturing process.

5.2 CLIENT retains sole legal responsibility for the design specifications and performance of the goods that are the subject of this transaction. HLH make no representation or warranty, whether express or implied, of any kind whatsoever with respect to any goods or services, including but not limited to any warranty of merchantability, fitness for a particular purpose or non-infringement.

5.3 Without limiting the generality of the foregoing, HLH assumes no responsibility or liability for the selection of any materials of the goods that are the subject of the transaction. The CLIENT is solely responsible for ensuring that materials selected for goods to be manufactured by HLH meet any regulatory requirements or specifications. Any statements made by HLH personnel or specifications provided by HLH regarding materials should be verified by the CLIENT with the manufacturer of that material.

5.4 In no event shall HLH be liable for any incidental, consequential or punitive damages of any kind, whether for breach of any warranty, for breach or repudiation of any other term or condition, for negligence, on the basis of strict liability, or otherwise.

6. CLIENT'S GOODS AND TOOLING

6.1 Unless documented otherwise, rapid tooling and goods used to produce CLIENT's parts will be stored for a period of 18 month following the last molding order from CLIENT. Rapid tooling and goods may be stored for a long period if requested in writing by CLIENT, however standard storage fees may apply. At the end of 18th month storage period and maximum storage life of 5 years, rapid tooling and goods will then be destroyed and disposed of without notice to protect HLH and CLIENT confidentiality.

6.2 Unless documented otherwise, HLH shall not be responsible for any loss or damage to the CLIENT's goods and tooling, however caused (including fire, explosion, accident, negligence, error, defective workmanship and any acts or omissions etc.) whether or not caused in fulfillment of contract.

6.3 Whilst in HLH's possession or that of the sub-contractor or in transit, all CLIENT's goods and tooling are all at the CLIENT's risk in all respects.

7. TERMINATION

The CLIENT may terminate the work described in the quote at any time. However, CLIENT agrees that it shall compensate HLH for all fees and expenses incurred in the performance of the obligations to the state of termination.

8. RIGHT and OBLIGATION

8.1 These terms and conditions agreement represent the entire and integrated agreement between CLIENT and HLH and supersedes all prior negotiations, representations, agreements, either written or oral. These terms and conditions may be amended only by written instrument signed by both CLIENT and HLH.

8.2 The rights and obligations of HLH and the CLIENT under this contract shall be governed by the laws of Shenzhen Court of International Arbitration (without regard to principles of conflict of law). The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this transaction. Any suit, action or other legal proceeding arising out of or relating to the transaction shall be brought in a court of record in SHENZHEN, CHINA.

8.3 HLH or its employees or consultants shall have no obligations or liability to CLIENT or any other person or entity for special, incidental, indirect, exemplary, punitive damage, including, but not limited to consequential damages, arising out of or in connection with the CLIENT's use or inability to use the product resulting from the work described in the quotation or from HLH's failure to perform under this agreement.

8.4 HLH shall not be liable for, but not limited to, loss of property, loss of revenue, cost of capital or claims, service interruptions, or any failure to manufacture, deliver or provide, or for any delay in the manufacture, delivery or provision of, any goods to be provided hereunder if such failure or delay is caused by acts of God, fire, storm, strikes, blackouts, labor difficulties, riots, inability to obtain materials, equipment, labor or transportation, governmental restrictions, serious public health nuisance or any similar cause over which HLH has no control.

8.5 The remedies of the CLIENT set forth herein are exclusive, and the liability of HLH with respect to the quotation, or anything done in connection there with such as the performance or breach thereof, or from the performance, manufacturer or sale, delivery of any product or service covered by or furnished under this quotation, whether in contract, in tort, under any warrant, or otherwise, shall not exceed the payments received by HLH and from the CLIENT for the product or service on which such liability is based.

8.6 This limitation shall apply whether or not the CLIENT or such party has been advised of the possibility of any other damages. This limitation shall apply notwithstanding any failure of essential or any limited remedy provided herein. Unless negotiated & documented otherwise, late fees, penalty clause, and/or credits will not be levied or taken against HLH.

8.7 The CLIENT shall defend, indemnify and hold harmless HLH (and its employees, consultants and agents) from against all claims, liabilities, losses, damages, penalties, fines and sanctions of any kind (including, without limitation, interest, attorneys' fees and expenses, customs duties, fines, taxes, penalties or any other governmental sanctions of any kind),

- Resulting from or arising out of any breach of any representation, warranty or covenant of the CLIENT or its affiliates hereunder;
- If the CLIENT has supplied HLH with drawings, designs or other specifications for the goods or services, arising out of any assertion that any goods manufactured by HLH (or the act of manufacturing such goods) according to those drawings, designs or other specifications infringe or misappropriate any patent, copyright, trade secret or other proprietary right. CLIENT assumes responsibility to pursue, assignment, application, other product protection. It is also the responsibility of CLIENT to investigate and ensure that the subject product does not infringe on other patents or proprietary rights. CLIENT assumes responsibility to investigate legislation and standards with related to the manufacture or use of the subject product;
- Otherwise arising out of or related to this transaction; or it's specifically understood that the CLIENT shall indemnify and defend HLH and hold HLH harmless from claims that HLH was itself negligent or otherwise at fault.

If any action, suit or proceeding is commenced, or any claim, demand or assessment asserted against HLH (or its employees, representatives or agents) which might result in liability with respect to which a party seeks indemnification, then the party shall notify the CLIENT promptly and the compromise or settlement. Upon the CLIENT's request and at CLIENT's expense, HLH shall cooperate fully in such defense and make available to the CLIENT all relevant information under its control.

The provisions of this paragraph and CLIENT's obligations hereunder will survive any termination of this agreement.