

GENERAL TERMS AND CONDITIONS OF SALE

Pilot Works — Custom Manufacturing Services

Version 1.0 — Effective from [DATE]

1. SCOPE AND DEFINITIONS

1.1 These General Terms and Conditions of Sale (the "**Terms**") govern all quotations, orders, sales, and deliveries of products and services provided by **BEAUTYTECH SERVICES SIA**, a limited liability company registered under the laws of the Republic of Latvia, registration number **50003881591**, VAT number **LV50003881591**, having its registered office at **Brivibas street 193A, Riga, LV-1039, Latvia**, operating under the trade name "**Pilot Works**" (hereinafter "**Pilot Works**", "**we**", "**us**" or "**our**").

1.2 In these Terms:

- (a) "**Customer**" means the legal entity placing an Order with Pilot Works;
- (b) "**Products**" means custom-manufactured mechanical components, parts, sub-assemblies, prototypes, and any related items supplied by Pilot Works;
- (c) "**Services**" means CNC machining, 3D printing, finishing, assembly, quality inspection, packaging, and any other services provided by Pilot Works;
- (d) "**Order**" means a written purchase order, signed quotation, or other written commitment from the Customer to purchase Products or Services;
- (e) "**Quotation**" means a written offer issued by Pilot Works to the Customer setting out price, scope, and lead time;
- (f) "**Customer Data**" means all drawings, CAD/CAM files, STEP/STP/IGES files, specifications, technical data, and other information provided by the Customer to Pilot Works for the purpose of fulfilling an Order.

1.3 These Terms apply to all commercial relationships between Pilot Works and the Customer to the exclusion of any general terms and conditions of the Customer, unless expressly accepted in writing by Pilot Works. Any conflicting or additional terms in any Customer document shall have no effect.

1.4 These Terms apply only to business-to-business (B2B) transactions. Pilot Works does not sell to consumers.

2. QUOTATIONS AND ORDERS

2.1 Validity of Quotations. Unless otherwise stated, Quotations are valid for **fourteen (14) days** from the date of issue. After this period, Pilot Works reserves the right to revise or withdraw the Quotation.

2.2 Acceptance of Quotation. A Quotation becomes a binding Order only when:

- (a) the Customer issues a written purchase order or written acceptance referring to the Quotation; **and**
- (b) Pilot Works confirms the Order in writing (including by email); **and**
- (c) the agreed deposit (see Section 7) is received by Pilot Works.

2.3 Customer Data Required. No Order shall enter production until the Customer has provided complete and accurate Customer Data, including but not limited to: 3D model files (preferably STEP), 2D drawings where applicable, material specifications, surface finish requirements, tolerances, quantities, and delivery details.

2.4 Changes to Orders. Once production has commenced, any change requested by the Customer (including but not limited to design revisions, quantity changes, material changes, or delivery date changes) must be

agreed in writing and may result in additional charges and/or revised lead times. Pilot Works is not obliged to accept such changes.

2.5 Cancellation. If the Customer cancels an Order after production has commenced, the Customer shall pay:

- (a) all costs incurred by Pilot Works up to the cancellation date, including materials purchased, machine time used, and labour expended; **plus**
- (b) a cancellation fee of **fifteen percent (15%)** of the remaining undelivered Order value, to compensate for lost capacity and rescheduling.

The deposit (Section 7) is non-refundable in case of cancellation by the Customer.

2.6 Minimum Order Value. Pilot Works reserves the right to apply a minimum Order value of **€150** (excluding VAT and shipping). Orders below this threshold may be subject to a setup surcharge.

3. PRICES AND TAXES

3.1 All prices are quoted in **Euros (EUR)** and are exclusive of value-added tax (VAT), customs duties, and other applicable taxes, unless otherwise stated.

3.2 Prices include standard packaging suitable for transportation. Special packaging requested by the Customer (e.g., custom crating, ESD packaging, individual labelling) will be quoted separately.

3.3 Pilot Works reserves the right to revise prices in case of:

- (a) significant changes in raw material costs (greater than 10%) between Quotation and Order confirmation;
- (b) changes to the scope, specifications, or quantity requested by the Customer;
- (c) errors in the Customer Data discovered after production has commenced.

In such cases, the Customer will be notified and may either accept the revised price or cancel the affected portion of the Order without penalty (provided production has not yet commenced).

4. CUSTOMER DATA AND INTELLECTUAL PROPERTY

4.1 Customer Warranty. The Customer represents and warrants that:

- (a) it has all necessary rights, licences, and permissions to provide the Customer Data to Pilot Works;
- (b) the Customer Data does not infringe any third-party intellectual property rights, including patents, copyrights, trademarks, design rights, or trade secrets;
- (c) the Products manufactured according to the Customer Data, when used by the Customer, will not infringe any third-party rights.

4.2 Customer Indemnity. The Customer shall indemnify and hold Pilot Works harmless from and against any and all claims, damages, costs, and expenses (including reasonable legal fees) arising out of any third-party claim that the Customer Data or the Products manufactured therefrom infringe any third-party rights.

4.3 Pilot Works' Know-How. Pilot Works retains all rights, title, and interest in:

- (a) its manufacturing processes, methods, tooling designs, fixtures, programs (CAM code), and know-how;
- (b) any improvements, derivative works, or innovations developed by Pilot Works during the course of fulfilling Orders, except those that are based directly and exclusively on Customer Data.

4.4 Confidentiality of Customer Data. Pilot Works shall treat Customer Data as confidential and shall not disclose it to third parties except to its subcontractors and suppliers bound by confidentiality obligations, and only to the extent necessary to fulfil the Order. A separate Non-Disclosure Agreement may be signed upon

request.

5. PRODUCTION AND DELIVERY

5.1 Lead Times. Lead times stated in Quotations are estimates based on current capacity and are calculated from the date all of the following conditions are met:

- (a) the Order is confirmed by Pilot Works;
- (b) the deposit is received;
- (c) all required Customer Data is provided in usable form.

5.2 Lead Time Adjustments. Lead times may be reasonably adjusted in case of:

- (a) Customer-initiated changes;
- (b) errors or ambiguities in Customer Data requiring clarification;
- (c) Force Majeure events (Section 12);
- (d) supplier delays beyond Pilot Works' reasonable control.

Pilot Works shall promptly notify the Customer of any expected delay.

5.3 Delivery Terms. Unless otherwise agreed in writing, deliveries are made on **DAP (Delivered at Place)** terms (Incoterms 2020) to the address specified by the Customer. Risk of loss or damage transfers to the Customer upon delivery to the carrier at the destination.

5.4 Partial Deliveries. Pilot Works reserves the right to make partial deliveries, with each partial delivery treated as a separate transaction for invoicing purposes.

5.5 Quantity Tolerance. For series production, Pilot Works reserves the right to deliver and invoice quantities $\pm 5\%$ from the ordered quantity, unless otherwise expressly agreed in writing.

6. TOLERANCES, QUALITY AND INSPECTION

6.1 General Tolerances. Unless tolerances are explicitly specified by the Customer in the Customer Data, the following standard tolerances apply:

- (a) **Linear dimensions:** ± 0.1 mm for dimensions ≤ 100 mm; ± 0.2 mm for dimensions > 100 mm (equivalent to **DIN ISO 2768-mK** medium grade);
- (b) **Angles:** $\pm 0.5^\circ$;
- (c) **Surface finish:** Ra 1.6 μm for machined surfaces;
- (d) **3D printed parts:** ± 0.3 mm or $\pm 0.3\%$ of the dimension, whichever is greater.

6.2 Tighter Tolerances. Tolerances tighter than those in Section 6.1 must be explicitly specified in the Customer Data and confirmed in the Quotation. Tighter tolerances may incur additional charges.

6.3 Material Variations. Variations in material properties (colour, surface texture, microstructure) within standard industry specifications shall not be considered defects.

6.4 First Article Inspection. First Article Inspection (FAI) reports are not provided by default. If required, this must be specified in the Order and may incur additional charges.

6.5 Customer's Inspection Obligation. The Customer shall inspect Products promptly upon receipt and notify Pilot Works in writing of any visible defects, shortages, or non-conformities within **eight (8) business days** of delivery. Hidden defects must be notified within **eight (8) business days** of their reasonable discovery, but in no case later than **three (3) months** after delivery.

6.6 Failure to Notify. Failure to notify within the periods specified in Section 6.5 constitutes acceptance of the Products and waives any right to claim against Pilot Works in respect of such defects.

7. PAYMENT TERMS

7.1 Payment Schedule. Unless otherwise agreed in writing, the standard payment terms are:

- (a) **50% deposit** upon Order confirmation, payable within 7 days of invoice;
- (b) **50% balance** prior to shipment of the Products.

7.2 Repeat Customers. For established Customers with a positive payment history, Pilot Works may at its discretion offer alternative terms such as **100% on invoice with net 14 or net 30 days**.

7.3 Payment Method. Payments shall be made by bank transfer in EUR to the bank account specified on the invoice. The Customer shall bear all bank charges.

7.4 Late Payments. In case of late payment, Pilot Works is entitled to:

- (a) charge default interest at the rate of **1.5% per month** (or the maximum rate permitted by Latvian law, whichever is lower) on the overdue amount;
- (b) charge a fixed administrative fee of **€40** per overdue invoice;
- (c) suspend any pending or future deliveries to the Customer until all overdue amounts are settled;
- (d) demand immediate payment of all outstanding invoices, regardless of their original due dates.

7.5 Retention of Title. Title to the Products shall remain with Pilot Works until full payment of the invoice (including any default interest and administrative fees) has been received. Until then, the Customer shall:

- (a) hold the Products in trust for Pilot Works;
- (b) not resell, modify, or encumber the Products;
- (c) keep the Products insured at the Customer's expense.

The risk of loss or damage to the Products nonetheless transfers to the Customer in accordance with Section 5.3.

7.6 No Set-Off. The Customer is not entitled to withhold payment or set off any claims against amounts owed to Pilot Works, unless such claims have been expressly accepted in writing by Pilot Works or established by a final court decision.

8. WARRANTY

8.1 Limited Warranty. Pilot Works warrants that the Products will, at the time of delivery:

- (a) conform to the specifications and tolerances agreed in the Order; and
- (b) be free from defects in workmanship.

8.2 Warranty Period. The warranty period is **twelve (12) months** from the date of delivery.

8.3 Exclusions. The warranty does **not** cover:

- (a) defects arising from Customer Data errors, design flaws, or specifications provided by the Customer;
- (b) defects arising from improper use, installation, storage, or modification of the Products by the Customer or a third party;
- (c) normal wear and tear;
- (d) damage caused by accidents, misuse, or external factors;

- (e) Products that have been altered, repaired, or modified outside Pilot Works' facilities;
- (f) cosmetic variations within agreed tolerances or industry standards.

8.4 Remedy. Pilot Works' sole obligation, and the Customer's sole remedy, in case of a valid warranty claim shall be, at Pilot Works' option:

- (a) repair of the defective Products;
- (b) replacement of the defective Products with conforming Products;
- (c) refund of the purchase price of the defective Products.

The Customer shall return defective Products at Pilot Works' cost (using a carrier and method approved by Pilot Works) for inspection.

8.5 Exclusive Warranty. This warranty is the sole warranty offered by Pilot Works. All other warranties, express or implied, including but not limited to warranties of merchantability, fitness for a particular purpose, and non-infringement, are expressly disclaimed to the maximum extent permitted by law.

9. LIMITATION OF LIABILITY

9.1 To the maximum extent permitted by applicable law, Pilot Works' total aggregate liability arising out of or relating to any Order, these Terms, or the Products and Services supplied, whether based on contract, tort (including negligence), strict liability, or any other legal theory, shall not exceed the **total amount paid by the Customer for the specific Order giving rise to the claim.**

9.2 Excluded Damages. In no event shall Pilot Works be liable for any:

- (a) indirect, incidental, special, consequential, or punitive damages;
- (b) lost profits, lost revenue, lost business opportunities, or lost goodwill;
- (c) costs of procurement of substitute products or services;
- (d) production stoppage, downtime, or delay damages of the Customer or any third party;
- (e) damage to other equipment, products, or property of the Customer caused by the use of the Products;

even if Pilot Works has been advised of the possibility of such damages.

9.3 Exceptions. The limitations in this Section 9 shall not apply to:

- (a) liability arising from gross negligence or wilful misconduct of Pilot Works;
- (b) liability for personal injury or death caused by Pilot Works' negligence;
- (c) any other liability that cannot be excluded or limited under applicable mandatory law.

9.4 Time Limit for Claims. Any claim against Pilot Works must be brought within **twelve (12) months** of the date the claim arose, or it shall be barred.

10. INTELLECTUAL PROPERTY AND USE OF REFERENCES

10.1 Marketing Reference. Unless the Customer expressly objects in writing, Pilot Works may:

- (a) mention the Customer's company name as a reference in its marketing materials;
- (b) use generic, anonymised photographs of Products manufactured for the Customer in its portfolio, marketing materials, and website, provided that no confidential information, branding, or identifying details of the Customer are visible.

10.2 Customer Objection. The Customer may opt out of the references described in Section 10.1 by sending written notice to Pilot Works at any time.

11. CONFIDENTIALITY

11.1 Each Party shall keep confidential all non-public information disclosed by the other Party in connection with an Order.

11.2 Where the Parties have signed a separate Non-Disclosure Agreement, the terms of that agreement shall take precedence over this Section 11 in case of conflict.

11.3 Confidentiality obligations shall survive the termination or expiration of any Order for a period of **five (5) years**.

12. FORCE MAJEURE

12.1 Neither Party shall be liable for any failure or delay in the performance of its obligations (other than payment obligations) caused by events beyond its reasonable control, including but not limited to: acts of God, natural disasters, war, civil unrest, terrorism, pandemics, government actions, embargoes, strikes, lockouts, supplier failures, transportation disruptions, energy shortages, and cyberattacks ("**Force Majeure**").

12.2 The affected Party shall promptly notify the other Party of the Force Majeure event and use reasonable efforts to mitigate its effects.

12.3 If a Force Majeure event continues for more than **sixty (60) days**, either Party may terminate the affected Order by written notice, in which case the Customer shall pay for all work performed up to the date of termination.

13. EXPORT CONTROL AND COMPLIANCE

13.1 The Customer is responsible for ensuring that any export, re-export, or transfer of the Products complies with all applicable export control laws and regulations of the European Union, Latvia, and any other applicable jurisdiction.

13.2 The Customer shall not order Products for end-use in connection with weapons of mass destruction, military applications, or any sanctioned end-user or country, without prior written consent of Pilot Works and any required governmental authorisations.

14. GENERAL PROVISIONS

14.1 Entire Agreement. These Terms, together with the relevant Quotation, Order confirmation, and any signed Non-Disclosure Agreement, constitute the entire agreement between the Parties with respect to the subject matter hereof.

14.2 Amendments. Any amendments to these Terms or to a specific Order must be in writing and signed (or confirmed by email) by both Parties.

14.3 Assignment. The Customer may not assign or transfer its rights or obligations under any Order without Pilot Works' prior written consent. Pilot Works may assign or transfer its rights to any affiliate or successor in interest without consent.

14.4 Subcontracting. Pilot Works may subcontract any part of the Services without the Customer's prior consent, provided that Pilot Works remains responsible for the performance of its obligations.

14.5 Severability. If any provision of these Terms is found to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

14.6 No Waiver. A failure or delay by Pilot Works to enforce any provision of these Terms shall not be construed as a waiver of that provision or any future right.

14.7 Notices. All notices required under these Terms shall be in writing and sent by email (with confirmation of receipt), registered post, or courier to the addresses listed in the Order confirmation.

14.8 Language. These Terms are drafted in English. In case of translation into any other language, the English version shall prevail.

15. GOVERNING LAW AND DISPUTE RESOLUTION

15.1 These Terms and any Order shall be governed by and construed in accordance with the laws of the **Republic of Latvia**, excluding its conflict of laws principles and excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

15.2 The Parties shall first attempt to resolve any dispute arising out of or in connection with these Terms or any Order through good-faith negotiation between authorised representatives.

15.3 If the dispute cannot be resolved through negotiation within **thirty (30) days**, it shall be submitted to the exclusive jurisdiction of the courts of the Republic of Latvia, located in **Riga**.

15.4 Notwithstanding the above, Pilot Works reserves the right to bring proceedings against the Customer in the courts of the Customer's country of registration to enforce payment obligations or to protect its intellectual property rights.

16. CONTACT

For any questions regarding these Terms or any Order, please contact:

Pilot Works BEAUTYTECH SERVICES SIA Reg. No.: 50003881591 VAT: LV50003881591 Address: Brivibas street 193A, Riga, LV-1039, Latvia Bank: Citadele Banka IBAN: LV15PARX0021104520001 Email: hello@pilotworks.io Web: www.pilotworks.io

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By placing an Order with Pilot Works, the Customer acknowledges having read, understood, and accepted these Terms.