

TERMS AND CONDITIONS OF PURCHASE

1. AGREEMENT. All purchases by Advanced Energy Industries, Inc., or, its direct or indirect subsidiary (collectively, “AE”) of any products (“Products”) from the seller (“Seller”), and/or the sale or provision by Seller to AE of any services (“Services”) specified in the associated purchase order from AE (“PO”) shall be exclusively governed by these terms and conditions and the PO (collectively, the “Terms”). These Terms comprise the entire agreement between the parties. These Terms take precedence over Seller’s additional or different terms and conditions whether contained in an order confirmation or other documentation, which AE objects to and hereby rejects. Any changes to these Terms must specifically be agreed to in a writing executed by AE and Seller before becoming binding on either party. To the extent a conflict or inconsistency exists between these Terms and any document submitted to AE by Seller, these Terms will control.

2. DELIVERY AND CANCELLATION. Time is of the essence in the performance of this PO. Delivery of Products and/or performance of the Services shall be strictly in accordance with the schedule, milestones or standards set forth in this PO, or if not specified herein, as otherwise specified by AE, and Seller will report any delivery or performance delays to AE immediately. Receipt of such report shall not operate as a waiver of any of AE’s rights hereunder. AE shall have the right to cancel or reschedule this PO, in whole or in part, upon written notice at any time prior to shipment of Products hereunder. Any partial cancellation shall not affect Seller’s obligations with respect to the portions of this PO not cancelled. AE shall have no liability for cancellation of this PO for standard Products or for Services yet to be performed. Any claim for cancellation charges for nonstandard Products shall be submitted to AE in writing, accompanied by reasonable supporting documentation, within thirty (30) days after receipt of AE’s cancellation notice and shall be subject to AE’s reasonable approval and considered liquidated damages. Seller’s claim for such cancellation charges shall be limited to the cost of unique work in process which cannot reasonably be sold to third parties, or which contains proprietary information of AE, and the cost of paying reasonable claims of Seller’s vendors for such work, in accordance with Seller’s written agreements with such vendors. In no event shall any such claim for nonstandard Products exceed the total price for Products cancelled under such PO. Upon payment of such a claim, Seller shall promptly deliver to AE all associated work in process, which shall be deemed to be the sole property of AE. Seller shall comply with AE’s policies related to its purchase of Products or procurement of Services, including, without limitation, and comply with the Responsible Business Alliance Code of Conduct available at <https://www.responsiblebusiness.org/code-of-conduct/>. Seller shall comply with all applicable policies as may be provided by AE, including those on environmental, safety, security, information technology, and data protection and confidentiality. Seller shall maintain complete and accurate records relating to the provision of the Services, including records of the time spent and materials used by Seller in providing the Services in such form acceptable to Buyer. Upon AE’s written request, Seller shall allow AE to inspect and make copies of such records and interview Seller personnel in connection with the provision of the Services. Seller shall keep and maintain any AE equipment or material in its possession in good working order and shall not dispose of or use such equipment or material (including any excess) other than in accordance with AE’s written instructions or authorization.

3. PACKING AND SHIPMENT. All Products shall be prepared for shipment according to AE’s instructions, in a manner that follows good commercial practice, acceptable to common carriers for shipment at the lowest rate, and adequate to ensure safe arrival. In the absence of specific instructions from AE, Seller shall ship and package the Product using reasonable methods. All shipments shall be accompanied by an itemized packing list. Seller shall not make, and AE shall have no obligation to accept, any partial shipments or shipments that arrive before the date specified herein. Delivery of Products shall be made either (i) FCA shipping point of AE’s carrier, or (ii) if Seller manufactures Products in China, DAP AE’s Hong Kong facility (Incoterms 2020). Risk of loss shall immediately transfer to Seller as to any Products which are not accepted by AE, which are rejected by AE, or as to which AE’s acceptance has been revoked. Seller shall comply with all applicable laws and regulations. Seller shall maintain in effect all the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under these Terms. Seller shall meet the minimum security criteria for international trade as defined by the Authorized Economic Operator program of applicable countries.

4. CHANGES. AE may at any time, upon written notice, increase or decrease Product quantities, change delivery dates or milestones, or make changes with respect to Product drawings, designs or specifications, or scope of Services, the method of Product shipment or packing, or the place of Product delivery. If any such change causes an increase in the cost or the time required by Seller for performance of this PO, and Seller so notifies AE in writing within three (3) business days from Seller’s receipt of such change, then a reasonable adjustment to the Product price or delivery schedule, or both, will be made and this PO shall be modified in writing to reflect such changes.

5. INVOICES. Seller shall submit each invoice with a bill of lading or express receipt whenever applicable, in duplicate, and include, without limitation, the PO number, the Product number, a Product description, Product size, quantities and unit prices. Payment of undisputed invoiced amounts is due 60 days from AE’s acceptance of Products or the Services for which the invoice was issued. Payment of invoice will be subject to adjustment for errors, shortages, defects in the goods or unsatisfactory performance of Services or other failure of Seller to meet the requirements of this PO.

6. ACCEPTANCE. AE’s payment for Products and/or Services shall not constitute acceptance thereof. All Products and/or Services are subject to AE’s inspection and test at AE’s premises before acceptance. Products and/or Services not rejected by written notification to Seller within thirty (30) days of receipt or from written notice of completion shall be deemed accepted. AE shall have the right to reject or require the replacement or repair of any Product found to be defective which Product shall be promptly replaced or repaired by Seller, or accept such Product with a reasonable reduction in price. If AE returns any Products to Seller pursuant to this Section 6, Seller shall bear the entire risk of loss for, and shall pay all costs associated with the shipment of, such Products. For Services not accepted by AE, AE may elect any of the following remedies (without limiting any other rights or remedies AE may have): (a) AE may grant additional time to Seller to provide (at no additional charge to AE) correct the Services subject to evaluation and acceptance in accordance with this Section 6, and make a reasonable reduction in the fees to reflect the delay in performance; (b) AE may itself correct the work product of the Services (or engage a third party to do so) and deduct the costs and reasonable expenses associated with such correction from the fees owed to Seller under the PO; or (c) AE may terminate the PO and return all work to Seller, in which case Seller will refund to AE any and all fees previously paid to Seller under the PO.

7. WARRANTY. Seller warrants that for two (2) years following the date the Products are accepted, all Products provided hereunder shall be new and not refurbished, free from defects in workmanship, materials and design (except where such design has been provided solely by AE), shall conform to this PO, their specifications or related documentation and samples and shall be free from claims or liens of third parties, including without limitation any mechanics liens or other encumbrances. With respect to any Products that fail to comply with the foregoing warranties, Seller shall accept return of such Products from AE and, at AE’s option (and Seller’s expense), promptly: (a) repair such Products to make them conforming and return them; (b) replace such Products with conforming Products and ship to AE under the terms set forth herein; or (c) refund all amounts paid to Seller for such non-conforming Products. AE has no liability for any returned Products, and Seller bears all liability, responsibility and expenses therefor. For Services, Seller represents, warrants and covenants that:

(a) the Services will be performed (i) using personnel of required skill, experience, integrity, and qualifications; (ii) in a timely, workmanlike, and professional manner; (iii) in accordance with the highest professional/industry standards in Seller’s field; and (iv) to the satisfaction of AE; and
(b) the deliverables or product will: (i) fully conform to the specifications, requirements and other terms in the PO; and (ii) be free from defects in materials and workmanship for two (2) years following the date the Services are accepted; and (iii) the deliverables or work product will not infringe or misappropriate any third-party rights.

8. INDEMNITY. Seller shall indemnify AE and AE’s customers and hold them harmless from and against any costs, expenses, losses, damages or liabilities (including attorneys’ fees) arising from or related to any claim, demand, threat, suit or proceeding regarding (i) any personal injury (including death) or property damage and (ii) any actual or alleged infringement of any patent, copyright, trade secret, trademark, registered

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design, maskwork or other third party right arising from or related to the use or sale by AE of any Products furnished, or Seller's performance of the Services hereunder (a "Claim"). AE shall notify Seller of any such Claim and Seller shall defend or settle, at its own expense, every Claim. If an injunction restricting AE's or its customer's rights with respect to any Product or arising from the Services is issued or appears reasonably likely to be issued as a result of any such Claim, Seller agrees at its expense, and at AE's sole option, to promptly either: (a) procure for AE the right to continue using such Products or the work product of the Services; (b) replace such Products or work product with non-infringing Products or work product; (c) modify the Products or work product so that they are non-infringing; or (d) refund to AE the amount paid for such Products or Services.

9. INSURANCE. Seller shall maintain insurance coverage, including general commercial liability insurance and professional liability insurance, in amounts and coverage that are customary and reasonable in its industry.

10. LAW; VENUE. These Terms will be governed by the laws of the State of Colorado giving effect to any conflicts of laws principles that require the application of the law of a different jurisdiction. Seller shall only bring an action arising from or relating to these Terms in a state or federal court in Denver, Colorado or Fort Collins, Colorado, and Seller irrevocably submits to the personal jurisdiction and venue of such court in such action or in any action brought in such courts by AE. Seller irrevocably consents to the service of process from any of the aforesaid courts by mailing copies thereof by registered or certified mail, postage prepaid, to Seller at its address designated pursuant to these Terms, with such service of process to become effective fifteen (15) days after such mailing. Seller agrees to pay AE's reasonable attorneys' fees and costs required to enforce AE's rights hereunder. The United Nations Convention on Contracts for the International Sale of Goods will not apply to these Terms.

11. ARBITRATION. Seller agrees that AE shall have the right to have any dispute between the parties arising out of or in connection with these Terms be settled by arbitration using the dispute resolution procedures of the American Arbitration Association (or, if Seller is not domiciled in the United States, the International Arbitration Rules of the International Centre for Dispute Resolution) in Denver, Colorado which shall be the seat of the arbitration. If the amount in controversy is less than \$5 million (U.S.), then one arbitrator shall be appointed in accordance with said rules. If the amount in controversy is greater than or equal to \$5 million (U.S.), then three arbitrators shall be appointed in accordance with said rules. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, nothing in these Terms shall limit either party's right to seek immediate injunctive or other equitable relief whenever the facts or circumstances would permit a party to seek such relief in a court of competent jurisdiction.

12. GENERAL. No waiver of rights under these Terms by either party shall constitute a subsequent waiver of this or any other right under these Terms, and all waivers must be in writing to be effective. Neither these Terms nor any rights under these Terms shall be assigned or otherwise transferred by Seller (by operation of law or otherwise) without the prior written consent of AE and any unauthorized transfer or assignment shall be void. These Terms shall bind and inure to the benefit of the successors and permitted assigns of the parties hereto. In the event that any of the terms of these Terms are held to be illegal by any court of competent jurisdiction, all remaining terms of these Terms shall remain in full force and effect. These Terms together with AE's associated PO (if applicable) constitute the entire understanding and agreement between the parties regarding the subject matter hereof and supersede all prior or contemporaneous understandings, written or oral. In the event the terms of a PO contain additional or different terms than these Terms, the terms of the PO will govern and control. These Terms may only be amended by a written document, signed by the authorized representatives of both parties.