

## TERMS AND CONDITIONS OF PURCHASE

As used herein, “**Buyer**” means **ADVANCED ENERGY INDUSTRIES, INC.**, or any of its affiliates or subsidiaries, as the case may be, and “**Seller**” means the seller of the goods or services (“**Products**”) that are the subject of this purchase order (“**PO**”).

THIS PO IS AN OFFER TO PURCHASE THE PRODUCTS ON THE TERMS AND CONDITIONS SET FORTH HEREIN (“**TERMS**”). Acceptance of this offer shall occur upon the earlier of Seller’s shipment of Products or by Seller’s submission to Buyer of its written order confirmation, invoice for such Products, or other written manifestation of acceptance of these Terms. No change, modification, or revision of these Terms will be effective unless agreed in writing and signed by a duly authorized representative of Buyer. This PO (including these Terms) constitutes the entire agreement between the parties with respect to, and supersedes any other agreements on this subject, and Buyer hereby rejects any additional or different terms on any document submitted by Seller.

**1. DELIVERY AND CANCELLATION.** Time is of the essence in the performance of this PO. Delivery of Products shall be strictly in accordance with the schedule set forth in this PO, or if not specified herein, as otherwise specified by Buyer, and Seller will report any delivery delays to Buyer immediately. Receipt of such report shall not operate as a waiver of any of Buyer’s rights hereunder. Buyer shall have the right to cancel 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. Buyer shall have no liability for cancellation of this PO for standard Products. Any claim for cancellation charges for nonstandard Products shall be submitted to Buyer in writing, accompanied by reasonable supporting documentation, within thirty (30) days after receipt of Buyer’s cancellation notice and shall be subject to Buyer’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 Buyer, 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 Buyer all associated work in process, which shall be deemed to be the sole property of Buyer. Seller shall comply with Buyer’s policies related to its purchase of goods, including, without limitation, Restricted Materials and Environmental Compliance Requirements RM0042, available at [http://www.advanced-energy.com/en/Supplier\\_Standards.html](http://www.advanced-energy.com/en/Supplier_Standards.html) and comply with the Supplier Code of Conduct available at <https://supplierportal.advanced-energy.com/documents/10162/0/AE+Supplier+Code+of+Conduct/053dd17b-4c9b-4b54-8ec2-2340637b13d3>

**2. PACKING AND SHIPMENT.** All Products shall be prepared for shipment according to Buyer’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 Buyer, 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 Buyer 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 Buyer’s carrier, or (ii) if Seller manufactures Products in China, DAP Buyer’s Hong Kong facility (Incoterms 2010). Risk of loss shall immediately transfer to Seller as to any Products which are not accepted by Buyer, which are rejected by Buyer, or as to which Buyer’s acceptance has been revoked. Compliance with the laws and regulations of the country of origin and the country of destination must be strictly adhered to with respect to international shipments. Buyer and Seller will cooperate in obtaining all necessary approvals, licenses, and other documentation required for such international shipments. Seller shall meet the minimum security criteria for international trade as defined by the Authorized Economic Operator program of the People’s Republic of China, or other applicable countries.

**3. CHANGES.** Buyer may at any time, upon written notice, increase or decrease Product quantities, change delivery dates, or make changes with respect to Product drawings, designs or specifications, 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 Buyer 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.

**4. INVOICES.** Seller shall submit each invoice with a bill of lading or express receipt, 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 45 days from Buyer’s acceptance of Products 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.

**5. ACCEPTANCE.** Buyer’s payment for Products shall not constitute acceptance thereof. All Products are subject to Buyer’s inspection and test at Buyer’s premises before acceptance. Products not rejected by written notification to Seller within thirty (30) days of receipt shall be deemed accepted. Buyer 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 Buyer returns any Products to Seller pursuant to this Section 5, Seller shall bear the entire risk of loss for, and shall pay all costs associated with the shipment of, such Products.

**6. WARRANTY.** Seller warrants that for one (1) year 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 Buyer), shall conform to this PO, their published specifications 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 Buyer and, at Buyer’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 Buyer under the terms set forth herein; or (c) refund all amounts paid to Seller for such non-conforming Products. Buyer has no liability for any returned Products, and Seller bears all liability, responsibility and expenses therefore.

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

**8. OTHER.** Any notice, approval or consent required or permitted hereunder shall be in writing, effective only upon receipt by the party being served, and deemed to have been duly given if sent by confirmed teletype, mailed by registered or certified mail, postage prepaid, or delivered by overnight courier service with tracking capabilities to the respective address of the parties as set forth in this PO (or such other addresses a party may designate by ten (10) days prior written notice. If any part of this PO is found by any competent authority to be invalid or unenforceable, that part will be amended to achieve as nearly as possible the same economic effect as the original provision and the remainder of this PO will remain in full force and effect. No delay or omission by Buyer exercising any right or remedy shall constitute a waiver of such right or remedy, or prejudice the right of Buyer to enforce such right or remedy at any subsequent time. The rights and remedies provided to Buyer herein shall be cumulative and in addition to any other rights and remedies available to it at law or in equity. These terms and the sale of the Products hereunder are governed by the laws of the State of Colorado without reference to any conflict of laws principles that may require the application of the laws of a different jurisdiction. The parties expressly disclaim application of the United Nations Convention on the International Sale of Goods. All disputes arising out of this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts having

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within their jurisdiction Buyer's principal place of business, and the parties agree and submit to the personal and exclusive jurisdiction and venue of these courts. These terms may only be amended by an explicit and formal written document, hand signed by the authorized representatives of both parties.