



## TERMS AND CONDITIONS OF PURCHASE

1. GENERAL PROVISIONS. The purchase of products and services ("Products") by Zollner Electronic (Taicang) Co., Ltd, Zollner Electronics HK Ltd., Zollner Electronics (Singapore) Pte. Ltd., and Bluechips Microhouse Co., Ltd., ("Zollner") to a seller ("Seller") is subject to these terms and conditions ("Agreement") regardless of other terms or conditions in any purchase order, document, or other communication of Zollner ("Order"). By accepting this Order and all attachments and exhibits attached hereto, including but not limited to specifications, drawings, notes, instructions, and other written materials and information, and/or performing hereunder, Seller agrees to comply fully with the terms and conditions of purchase set forth in this document. Acceptance of the Order is expressly limited to the terms and conditions of the Order and none of Seller's terms and conditions shall apply regarding the Order. Acceptance by Zollner of the goods, services, or work delivered under the Order shall not constitute agreement to Seller's terms or conditions. Seller may not ship under reservations to our terms and conditions. Seller may accept the Order either by performance or sending of an order confirmation. Any and all agreements between Zollner and Seller under these terms and conditions of purchase and the contract which is subject to the terms and conditions of purchase shall be in writing.

In the event that a purchase agreement (signed by an authorized Zollner Representative) is executed by Seller and Zollner with respect to the sold Products, the terms of such agreement shall prevail over any inconsistent terms contained herein.

These terms and conditions of purchase shall also apply in relation to any future transactions with Seller.

2. APPLICABLE LAW AND ARBITRATION. This Agreement shall be governed, construed, and enforced in accordance with the laws of the People's Republic of China without reference to the conflict of laws principles, if not stipulated otherwise in this section. The provisions of the United Nations convention on contracts for the international sale of goods (CISG) shall not apply to this agreement.

Any dispute arising out of or in connection with these terms and conditions of purchase or the contract governed by them or over their validity shall be settled through friendly consultations between the parties. If no agreement can be reached between the parties within 30 (thirty) days after the dispute has arisen, the dispute shall be finally submitted for arbitration to Shanghai International Economic and Trade Arbitration Commission/Shanghai International Arbitration Center („SHIAC") for arbitration according to the Rules of Arbitration of the said arbitration commission effective on the date of request for arbitration. The place of arbitration shall be Shanghai. The arbitration proceedings shall be conducted in Chinese language. The arbitration tribunal shall consist of 3 (three) arbitrators. Each party shall appoint 1 (one) arbitrator. The third arbitrator, who shall act as chairman of the arbitration tribunal shall be jointly appointed by the two first-mentioned arbitrators. If a party fails to appoint its arbitrator within 1 (one) month after receipt of the notice of arbitration from the arbitration tribunal or if the two first-mentioned arbitrators cannot come to an agreement on the chairman of the arbitration tribunal within 1 (one) month after they have been appointed, the respective arbitrator or the chairman of the arbitration tribunal shall be appointed by the Chairman of the SHIAC. The arbitration award shall be final and binding on the parties. The arbitration fee and the reasonable costs of the winning party, including lawyers' fees, shall be borne by the losing party except as otherwise awarded by the arbitration tribunal.

3. ATTACHMENTS. Any attachments referenced in the Order shall be deemed for all purposes to be an integral part of the Order. In the event of an irresolvable conflict between such referenced attachments and the terms stated herein, the terms of such attachments shall control.

4. MODIFICATIONS. Changes, modifications, waivers, additions, or amendments to the terms and conditions of the Order shall be binding on Zollner only if such changes, modifications, waivers, additions, or amendments are in writing and signed by a duly authorized representative of Zollner.

5. CHANGES. Zollner shall have the right at any time to suspend performance hereunder, increase or decrease the ordered quantity, change the delivery date of the Product, or change the drawings, designs, specifications, materials, packaging, place of delivery, and/or method of transportation. Seller agrees to accept such changes as though the changes were included in the Order.



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If such changes result in a decrease or increase in Seller's cost or in the time for performance, an adjustment in the price and time for performance may be made by the parties in writing, provided however, that Seller notifies Zollner of the request for such adjustments within twenty (20) days after receipt by it of the change notice. Except in the event of such a change request by Zollner, Seller shall not make any changes to the form, fit and function to any Products or any changes to the drawing, designs, specifications, materials, process, packaging, time and place of delivery, or methods of transportation without Zollner's prior written consent.

6. **TERMINATION.** Zollner may terminate each Order in whole or in part at any time without cause by written notice to Seller. Such notice shall state the extent and effective date of such termination, and, upon the receipt of such notice, Seller will comply with the directions pertaining to work stoppage hereunder and the placement of further orders or subcontracts hereunder. The parties shall thereupon employ their best efforts to agree by negotiation, within thirty (30) days, upon the amount of reimbursement, if any, to be paid to Seller for each Termination. Termination under this section shall not be deemed to be a breach of the contract with Seller. The provisions of this section shall not limit or affect the right of Zollner to terminate the Order for cause and shall not apply to a termination for cause. Seller shall mitigate its claim to the maximum extent, and in any event, no claim against Zollner shall exceed the lesser of the fair market value or actual costs of raw materials and work in progress material, which Seller shows, cannot be diverted to other uses. No claim shall be asserted or honored for any loss on expected profits, or for any consequential or incidental damages, due to cancellation of this agreement by Zollner. Zollner shall have the right to terminate the Order or any portion thereof "for cause" and without creating any liability to Zollner, in the event Seller breaches any of the terms contained herein or if Zollner believes in good faith that Seller will be unable to perform its obligations hereunder or if Zollner requests that Seller provides adequate assurances of performance and Seller fails to do so within five (5) business days. In addition, the Order shall be automatically terminated for cause and without creating any liability to Zollner, in the event that Seller assigns substantially all of its assets to a third party for the benefit of its creditors, files for bankruptcy, or has a bankruptcy proceeding filed against it which proceeding is not dismissed within sixty (60) days after filing. Seller shall indemnify Zollner and Zollner's customers for all claims resulting from Zollner's termination for cause, including the costs of losing the business of Zollner's customers for such and subsequent orders and costs of transferring production of the goods ordered under the Order to a third party, the procurement of a third party, the procurement of a substitute product, line down charges, and any other costs incurred by Zollner.

7. **TOOLING.** Seller shall preserve all special drawings, dies, patterns, tooling, or other items supplied or paid for by Zollner in good condition, and they are the property of Zollner unless otherwise specified. These items shall be returned in good condition when the work on the Order has been completed or the Order has been terminated, or at any other time as requested by Zollner. No special drawing, die, pattern, tool, or other item supplied by Zollner or made by Seller for the use of or delivery to Zollner, or for use by Seller in supplying Zollner, shall be used by Seller for any purpose other than supplying Zollner, without Seller first obtaining the written consent of Zollner thereto. If Zollner furnishes material, equipment, special drawings, dies, patterns, or other items for performance of the Order, all risk of loss thereof or damage thereto shall be upon Seller from the time of shipment to Seller until redelivery to and receipt by Zollner.

8. **INDEMNIFICATION.** Seller agrees to indemnify and hold harmless Zollner, its officers, agents, employees, vendors (mediate and immediate), and customers from any and all loss, expense, damage, liability, interest, cost and expenses, claims, or demands either at law or in equity for any actual or alleged infringement of any patent invention, design, trademark, or copyright arising from the purchase, use, or sale of materials or articles required by the Order, except where such infringement or alleged infringement arises by reason of designs for such materials or articles originally furnished to Seller by Zollner.

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9. ASSIGNMENTS. Seller may not assign or transfer any performance obligations under the Order without the prior written approval by Zollner.

10. EXCUSED PERFORMANCE. In the event that Seller is prevented from delivering or Zollner is prevented from receiving the materials or articles referred to in the Order as a result of governmental actions or regulations, except as hereinafter provided, or of fires, strikes, accidents, and other unforeseeable causes beyond the control of either party, the obligation to receive or deliver shall be suspended for a reasonable time during which such cause continues to exist.

11. ORDERS. Zollner shall send orders to Seller in text form or by electronic means.

Seller shall issue an order confirmation for each order without delay, but at the latest within 3 working days of receipt. The order confirmation shall contain at least the following information:

- Confirmed delivery date or confirmed delivery dates of partial deliveries (taking into account specific regulations)
- Place of delivery and delivery address,
- Zollner order number,
- Zollner article number- Unit price per contract product ordered,
- the currency,
- Delivery quantity per contract product,
- Manufacturer and manufacturer part number,
- Drawing number (index, release, modification status),
- Terms of payment and delivery;

After expiry of this period without feedback from Seller, the contract shall be deemed accepted even without written confirmation.

Zollner reserves the property rights and copyrights to illustrations, drawings, calculations and other documents; they may not be made accessible to third parties without the express written consent of Zollner. They may be used exclusively for the production on the basis of Zollner's order; after completion of the order they must be returned to Zollner without request. They must be kept secret from third parties; in this respect, the provisions of § 21 shall apply in addition.

12. PACKING AND SHIPPING INSTRUCTIONS. Unless Zollner stipulates specific packaging or shipment instructions, all items shall be suitably prepared for shipment (a) to secure the lowest transportation and insurance rates, (b) to meet carrier's requirements, and (c) to avoid any damage in transit. All shipments shall contain an easily located packing list describing the shipped material and shall clearly indicate the Order number on the outside of all packages, boxes, kegs, bails, or bundles to expedite the receiving of said shipments. Seller shall mark all shipments with bare code labels meeting electronic industries association outer shipping container bar code label standard EIA-556-A. Unless otherwise provided herein, Seller shall pay for all charges for containers, crating, boxing, bundling, dunnage, drayage, storage, or other packing requirements. All material shall be packed, packaged, marked, and otherwise prepared for shipping in accordance with sound commercial practices to meet Zollner's requirements for obtaining the lowest transportation rates, or as otherwise specified herein. Seller shall mark all containers or packages with necessary lifting, loading, and shipping information. Seller shall ensure that all packaging complies with all applicable law, in particular but not limited to the directive 94/62/EC on packaging and packaging waste (Dec. 20, 1994), as amended, and the directive 2025/40/EC Packaging and Packaging Waste Regulation, PPWR (Febr. 11, 2025), as amended, as implemented by the various member states of the European Union, as well as similar laws in other jurisdictions and shall include all information required by the RoHs Directive, the WEEE Directive or other laws. Seller shall ship the Product in a manner which complies with all laws, including I.C.C. regulations and which is adequate to ensure safe arrival of the Product at its destination.



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13. DELIVERY. The obligation of Seller to meet all delivery dates, specifications, and quantities set in the Order is of the essence. Deliveries are to be made both in quantities and at times specified in the Order or such quantities and items specified pursuant to Zollner's written instructions. Seller shall immediately notify Zollner in the event that its timely performance under the Order is delayed or likely to be delayed, in whole or in part, and Seller shall provide Zollner with all available information regarding the reasons for such delay. Unless otherwise specifically provided on the face of the Order, the Product will be delivered DDP Zollner's facility of manufacture (Incoterms 2020). In the event the Order includes the delivery of equipment which requires installation, Seller shall install such equipment (at its sole expense) at Zollner's designated site upon request from Zollner. Title and risk in the Product shall remain with Seller until they are delivered at the point specified in the Order and transferred to Zollner's possession at which time title and risk in the Products shall transfer to Zollner. Zollner may at its option, either retain items received in advance of the requested delivery schedule or return them to Seller at Seller's risk and expense. If retained, payment and discount shall be based on the schedule delivery dates.

In the event that Seller fails to deliver as and when specified, Zollner reserves the right to cancel the Order, or any part thereof, without prejudice to its rights or remedies and Seller agrees that Zollner may return part or all of any shipment made, and if the Order calls for partial shipments, the balance may be cancelled or suspended upon notice and Zollner may charge Seller with any expedited routing charges or any loss or expense sustained as a result of such failure to deliver as specified. Zollner reserves the right to return the portion of the shipment in excess of the quantity ordered at Seller's expense.

14. ACCEPTANCE AND WARRANTY. Final acceptance of material and Products by Zollner will only be after arrival at Zollner's company that placed the Order, unless otherwise specified herein. Seller warrants that all articles, material, and work supplied by Seller under the Order conform to the requirements, specifications, drawings, samples, or other descriptions furnished or adopted by Zollner and that they are of good material and workmanship and free from defects in manufacture or design and of merchantable quality and fit for their intended purchase for the forty-eight (48) month period following Seller's shipment to and acceptance by Zollner. In addition to any express or implied warranties, Seller warrants that the Product will be new and unused. Such warranties by Seller shall run to the benefit of Zollner, its employees and customers. Zollner's approval of designs provided by Seller shall not relieve Seller of its obligation under this warranty. Seller will make process control data, inspection, and test reports covering the articles or goods and their parts available for review and subject to examination by Zollner or its authorized representative(s) to verify conformance to such applicable specifications and drawings. However, a Certificate of Conformation must accompany individual shipments when so specified on applicable drawings, or on the front of the Order. In addition to the foregoing, Seller further warrants that the Product, Seller's business (including its manufacturing, operating, and hiring processes), and the Product documentation complies with all international, national, and local ordinances, rules, and regulations (including but not limited to the Labor Law, Labor Contract Law, Safe Production Law, Road Traffic Safety Law, and any similar law), as such laws have been amended, modified, or implemented and that the manufacture and sale of the Product purchased under the Order complies with all laws. Seller further warrants the accuracy of all product documentation it provides to Zollner, including but not limited to custom related documents and MSDS and safety related documents.

Seller warrants that it will not export, re-export, sell, resell or transfer any data or any export-controlled commodity, technical data or software: (i) in violation of any law, regulation, order, policy or other limitation imposed by the United States (including the United States Export Administration Regulations) or any other government authority with jurisdiction; or (ii) to any country for which an export license or other governmental approval is required at the time of export, without first obtaining all necessary licenses or equivalent. Seller agrees to provide to Zollner all documentation and other information reasonably necessary to support or confirm Seller's compliance with this paragraph. Additionally, prior to Seller providing any data or any export-controlled commodity, technical data or software to Zollner that is subject to the United States Export Administration Regulation, Seller shall notify Zollner of this fact and not provide any such items to Zollner without Zollner's prior written consent. Seller shall notify Zollner of changes, if any, to classifications, export licenses, and any other determinations related to the Products, Services, technical data and software previously supplied to Zollner in written form with supporting information and reason for such change.



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Seller represents and warrants that any Products, and any parts and components thereof, that it provides to Zollner are not "defense articles" as that term is defined under U.S. law 22 C.F.R. § 120.6. Seller agrees to provide to Zollner all documentation and other information reasonably necessary to support or confirm the foregoing.

Additionally, to the extent any items, and any parts and components thereof, that it provides to Zollner (including services, deliverables, technical data, and software) were specifically designed or modified for a military end-item or application, civilian spacecraft or satellite-related application, Seller shall notify Zollner of this fact and not provide any Products, or any parts or components thereof (including, but not limited to, services, deliverables, technical data or software) to Zollner without Zollner's prior written consent, and shall provide to Zollner written confirmation from the United States Department of State that such Products, and all such parts or components thereof, are not subject to the jurisdiction of the ITAR, prior to transferring the items, parts, components, or related "technical data" as defined in 22 C.F.R. § 120.10 to Zollner.

Seller will defend, hold harmless and indemnify Zollner from and against any liability, claims, demands, damages or expenses (including reasonable attorney or other professional fees and disbursements) arising from or relating to Seller's noncompliance with this Section.

15. **INCOMING INSPECTION.** Payment for the Product by Zollner does not constitute acceptance of the Product and Zollner reserves the right to make an adjustment (by means of credit memo or otherwise) for errors, shortages, defects in the Product, or other failures. Any Product or materials not accepted by Zollner may be returned to Seller at Seller's expense for full credit of the purchase price. Inspection may be performed at Zollner's option on a statistical sampling basis. Zollner may reject the entire lot if such sampling reveals any defects. At Zollner's option, the rejected lot will be either returned to Seller for replacement or credit or 100% screened by Zollner with cost of screening paid by Seller. The initial inspection performed by Zollner upon receipt of the Product or material is a conditional acceptance only and shall not waive the right of Zollner to return the Product or material to Seller which exhibits or develops defects due to latent causes during or after installation or testing of the end product. Replacement product or material shall be sent freight prepaid from Seller, who will bear all costs for premium transportation when defect or replacement material would place critical time or delivery schedule constraints on the Zollner.

16. **WAIVER.** Any failure of Zollner to enforce at any time, or for any period of time, any of the provisions of the Order shall not constitute a waiver of such provisions nor of Zollner's right to enforce each and every provision herein.

17. **PAYMENTS.** Prices for the Product shall be in the currency set forth on the front of the Order. Seller warrants that the prices offered for the Product hereunder are the lowest prices for these or similar products sold by Seller to other customers, and in the event of any price reduction between the acceptance of the Order and delivery of the Products, Zollner shall be entitled to such reduction. Seller shall send all invoices to the address of the location of Zollner which placed the Order. All invoices shall include (a) the Order number, (b) the applicable part number, (c) a description of each item as it appears on each Order, (d) Seller's part number, (e) quantity of item, size of item, unit price, applicable taxes, extended total, and any other information specified elsewhere herein. Payment of an invoice shall not constitute acceptance of supplies or services and be subject to adjustments for error, shortages, rejects or any other failure of Seller to meet the requirements of the Order. All Orders will be paid by Zollner within ninety (90) days of receipt of the goods. Each invoice must include a copy of the packaging slip. Payment of invoices shall be deemed correct unless Seller notifies Zollner of any payment discrepancies within thirty (30) days after receipt of payment.



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18. **PRICE ADJUSTMENT.** Zollner will not accept shipment at any increase in price above that indicated on the Order. Any general price decrease announced by Seller in the classification of equipment and/or materials similar to the items described on the Order shall automatically reduce the price thereof by a comparable percentage.

19. **PAYABLES OFFSET.** Zollner shall be entitled at all times to offset any amount owing, for any reason, at any time, from Seller to Zollner against any amount payable at any time in connection with the Order.

20. **LIMITATION OF LIABILITY.** In no event Zollner shall be liable to Seller or any third party for any indirect, incidental, special, consequential, or punitive damages (including lost profits, lost revenues, or loss of use) resulting from, arising out of or in connection with the order. In no event Zollner's liability for damages in connection with each order will be in excess of the purchase price of such order giving rise to such liability. Zollner shall not be liable to Seller for any costs incurred by Seller as a consequence of forecasts or projections provided by Zollner. Nothing herein shall be construed to limit the liability of Seller under the order.

21. **CONFIDENTIALITY.** Seller agrees to keep information provided by Zollner confidential in accordance with the terms and conditions of the nondisclosure agreement previously executed between the parties. In the event that the parties did not execute a nondisclosure agreement, Seller agrees to keep confidential and not to disclose, directly or indirectly, any information concerning the Order to Zollner's business (except to the extent such information is available to the general public) or any other information which the other party designates as confidential, except to the extent required by applicable law.

22. **RIGHT OF ACCESS.** Seller agrees to permit Zollner, Zollner's customer, regulatory authority, or Government representative(s) if the Order is for a U.S. Government contract or subcontract, to verify the quality of supplies and services being provided under the Order at any production stage in Seller's facility. Verification may consist of a physical assessment/ surveillance of Seller's facilities and quality programs and/or a source inspection. The applicable quality program requirements may be as defined, documented, and furnished by Zollner. Deficiencies identified during such verification shall be corrected by the Seller in the most expeditious manner possible. Seller shall provide all reasonable facilities and assistance for the safety and convenience of personnel engaged in such verification. Seller agrees to include in each subcontract Seller might make appropriate provisions hereunder to the same effect.

23. **Liability insurance cover.** The Contractor is obliged to provide evidence of business and product liability insurance with coverage of the recall cost risk and sufficient sums insured. The Contractor shall send this evidence to the Client annually without being asked. If the Client is entitled to further claims for damages, these shall remain unaffected.

24. **NOTICES.** Any notices required or permitted to be given herein shall be in writing and shall be valid and sufficient if dispatched by registered or certified mail, postage prepaid.

25. **SEVERABILITY.** If any term, condition, or provision of these terms and conditions, or portion thereof, is found to be invalid, unlawful, or unenforceable to any extent, the parties shall endeavor in good faith to agree to such amendments that will preserve, as far as possible, the intentions expressed in this Agreement. Such invalid term, condition, or provision will be severed from the remaining terms, conditions, and provisions, which will continue to be valid and enforceable to the fullest extent permitted by law.



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26. SURVIVAL AND INTERPRETATION. The obligations of Seller to Zollner survive termination of the Order, except as otherwise provided in the Order. No provision may be construed against Zollner as the drafting party. Section headings are for convenience or reference only, and do not affect the meaning of the Order.