

APEX TECHNOLOGY, INC.'S TERMS AND CONDITIONS OF PURCHASE OF GOODS AND/OR SERVICES

1. DEFINITIONS

- **"Agreement"** means these Terms and Conditions and the purchase order ("PO").
- **"Buyer"** means Apex Technology, Inc.
- **"Seller"** means the party providing the goods and/or services.
- **"Goods"** means the physical products or items being purchased.
- **"Services"** means the tasks or activities performed by the Seller for the Buyer.

2. ACCEPTANCE OF ORDER

Any PO placed by the Buyer is an offer to purchase Goods and/or Services on these terms and conditions. Each PO is deemed accepted by Seller unless Seller notifies Buyer otherwise within fourteen (14) days of receipt of the PO. Acceptance of the PO serves as an unreserved acceptance of these Terms and Conditions. Unless specifically accepted by Buyer in writing, contrary or additional terms provided or submitted by Seller are rejected and shall not bind Buyer.

3. PRICE AND PAYMENT TERMS

The price of the Goods or Services is as stated in the Buyer's PO unless otherwise agreed in writing. The Buyer may withhold payment until the Goods and/or Services are received, inspected, and accepted. Payment terms are 45 days from receipt of invoice unless otherwise specified in writing.

4. DELIVERY OF GOODS AND/OR SERVICES

The Seller is responsible for delivering the Goods and/or providing Services within the agreed timeframe. If no delivery date is specified, delivery must occur within a reasonable period. The Buyer may require the Seller to expedite delivery or provide alternative solutions if the agreed-upon delivery date is missed. Buyer is entitled to a full refund or to cancel the order if the Goods or Services are not delivered within the specified time frame. Goods shall be shipped by Seller DAP Destination (Incoterms 2020) to the destination specified on PO, freight prepaid, and Services shall be performed at the Buyer location identified in the applicable PO.

5. RISK OF LOSS AND TITLE

Risk of loss related to the Goods will remain with the Seller until the Goods are delivered to the Buyer's designated location. Title to the Goods will pass to the Buyer upon delivery, even if payment is pending, unless otherwise agreed in writing.

6. WARRANTIES AND REPRESENTATIONS

The Seller warrants that the Goods and/or Services will conform with specifications, be free from defects in materials and workmanship, and fit for the purpose for which they are purchased. The Seller warrants that any intellectual property rights in the Goods or Services do not infringe the rights of third parties. If defects or non-conformities are found in the Goods or Services, the Seller must remedy them at no additional cost to the Buyer, including any shipping, handling, or rework expenses. If Seller breaches its warranty obligations, Buyer, in its sole discretion, may request a repair, replacement, or refund.

The warranty period shall be twenty-four (24) months from the integration of the Product or receipt of the Service.

7. ACCEPTANCE OF GOODS AND SERVICES

The Buyer will have 45 days from delivery to inspect and accept the Goods and/or Services. If the Buyer determines that the Goods and/or Services do not meet the agreed-upon specifications or are defective, the Buyer may, in its sole discretion, reject the Goods and/or Services, demand a full refund, or require the Seller to repair or replace the Goods or re-perform the Services at the Seller's expense.

8. CANCELLATION AND RETURNS

The Buyer may cancel the PO at any time before delivery or completion of Services with no penalty. Goods that are defective, damaged, or non-conforming can be returned by the Buyer at no charge, and the Seller is responsible for all return shipping costs.

9. CHANGES

At all times Buyer will have the right to make changes to the PO including changes to drawings, designs, configurations, specifications, quantities, methods of shipment or packing and delivery schedules or location of delivery. If any such changes cause an increase or decrease in the cost of or the time required for the performance of any work under the PO, an equitable adjustment will be made in the contract price or delivery schedule, or both, and the PO will be modified in writing accordingly. Nothing in this Section, including any disagreement with Buyer as to any claimed adjustment, will excuse Seller from proceeding with the PO as changed. Any claim by the Seller for adjustment under this Section must be in a detailed writing and delivered to Purchaser within five (5) days after the date Seller receives notification of change. Any change will be authorized only by a duly executed amendment to the PO. Information, such as technical information or guidance provided to Seller by representatives of Buyer, will not be construed as a change within the meaning of this Section.

10. STOP WORK

Buyer may, at any time and for any reason, issue a written order to Supplier requiring a temporary cessation of all or any part of the work under this Agreement ("Stop Work Order"). Supplier shall immediately comply with such order upon receipt. A Stop Work Order may remain in effect for a period of up to one hundred twenty (120) days, or such longer period as Buyer may determine at its sole discretion. Buyer may extend, modify, or cancel the Stop Work Order at any time by written notice. Upon receiving a Stop Work Order, Supplier shall: (i) immediately stop the specified work; (ii) take all reasonable steps to minimize incurring additional costs related to the work; (iii) protect and preserve work in progress and materials on hand; and (iv) continue to perform any work not subject to the Stop Work Order. Supplier shall not be entitled to any adjustment in price, schedule, or other terms as a result of a Stop Work Order unless expressly agreed to in writing by Buyer. Any request for equitable adjustment must be submitted in writing within ten (10) business days of the Stop Work

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Order's expiration or cancellation and will be subject to Buyer's sole discretion.

11. OVERAGES

a. Goods Overages: If the Seller provides more Goods than the quantity specified in the Buyer's PO, the Buyer will have the right to accept or reject the overage. If the Buyer accepts the overage, the price for the excess Goods will be negotiated in good faith based on the agreed unit price or market rates. If the Buyer rejects the overage, the Seller will be responsible for all costs associated with the return of the excess Goods, including shipping and handling.

b. Services Overages: If the Seller exceeds the scope of Services outlined in the PO without prior written approval from the Buyer, the Buyer will not be responsible for any additional charges associated with the overage. If the Buyer deems it necessary to accept the overage, the Seller must obtain written approval from the Buyer prior to performing any work beyond the agreed scope. Any overage charges must be documented and agreed upon in writing by both parties, and the Buyer may, at their discretion, negotiate a fair price adjustment.

12. INTELLECTUAL PROPERTY

Any intellectual property created during the performance of Services will become the property of the Buyer unless otherwise agreed in writing. The Seller grants the Buyer a non-exclusive, worldwide, perpetual license to use any intellectual property rights necessary for the proper use of the Goods and Services provided. Any intellectual property provided by Buyer under this Agreement shall remain Buyer's.

13. COUNTERFEIT PRODUCTS

The Supplier shall not deliver any counterfeit products to Buyer. The Supplier guarantees that all Goods delivered to the Buyer are new and genuine, have been obtained directly from the original manufacturer or through authorized distribution channels, and have not been altered, tampered with, or otherwise modified in any way. If the Supplier becomes aware or suspects that it has delivered counterfeit products, it must immediately notify the Buyer in writing and shall replace the counterfeit products with genuine products at no additional cost to the Buyer, bear all costs associated with the removal and replacement of the counterfeit products and reinstallation of the genuine products, and cooperate fully with the Buyer in investigating the counterfeit issue, including providing any necessary documentation and access to relevant personnel.

14. WORK ON BUYER'S PREMISES

If Seller's work under the PO requires Seller to be on the premises of Buyer, Seller will take all necessary precautions to prevent any injury to persons or damage to property, including following any rules, procedures or other requirements of Buyer.

15. QUALITY COMPLIANCE AND INSPECTIONS

Supplier will comply with all quality standards applicable to the Goods and/or Services, including but not limited to the standards contained in the Buyer's Quality Manual, Supplier's Quality Manual, and any and all industry-specific standards related to the Goods and/or Services.

If applicable, and upon reasonable notice, Seller shall permit representatives of Buyer to observe all quality control testing and investigations and inspect all quality control documentation (which includes batch records and quality assurance testing records). Buyer's authorized representatives may conduct reasonable in-depth quality assurance audits of Seller's facility. Such audits shall be arranged by mutual agreement of the parties but in no event later than five (5) business days after Buyer reasonably requests an audit. Such audits may include all aspects of the facility related to the manufacture of Goods and all procedures, operations and quality control records with respect thereto. Buyer's authorized representatives will be permitted by Seller to enter the Facility during normal business hours to do all of the following with respect to records, procedures, operations, and materials relating to the manufacture of Goods for Buyer: (a) inspect manufacturing and quality control records; (b) observe quality control testing operations; (c) inspect raw materials, lots of product in process, finished Goods, equipment and other facilities used to manufacture, store or package the Products; and (d) make at Buyer's expense such tests and other inspections as Buyer reasonably deems necessary.

16. COMPLIANCE WITH LAWS.

Seller shall comply with all applicable international, national, state, regional and local laws and regulations with respect to their performance related to the PO. Seller is required to obtain and pay for any license, permit, or certification required in connection with the manufacture, performance, completion and delivery of any Goods and/or Services.

17. LIMITATION OF LIABILITY

BUYER'S AGGREGATE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT IS LIMITED TO THE AMOUNT PAID BY BUYER FOR THE GOODS AND/OR SERVICES UNDER THE PO. TO THE MAXIMUM EXTENT ALLOWABLE UNDER APPLICABLE LAW, BUYER SHALL NOT BE LIABLE UNDER THIS AGREEMENT FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT, OR PUNITIVE DAMAGES INCLUDING, WITHOUT LIMITATION, LOST REVENUES EVEN IF BUYER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

18. INDEMNIFICATION

Seller shall indemnify and hold Buyer and its affiliates harmless and, on Buyer's request, shall defend each of them from and against any or all third party claims, demands, litigation, or proceedings of whatever kind, whether based upon negligence, breach of express or implied warranty, strict liability, infringement of intellectual property rights, or any other theory, and from and against all direct, indirect, special, exemplary, incidental or consequential damages of every kind whatsoever, arising out of, by reason of, or in any way connected with the Goods and/or Services, the design, manner of preparation, manufacture, construction, completion, or delivery or non-delivery of any Goods and/or Services by Seller, any breach by Seller of any of its obligations hereunder, or any other act, omission or

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negligence of Seller or any of Seller's employees, workers, agents, subcontractors, or suppliers. Seller shall, on request, pay or reimburse Buyer or any other party entitled to indemnification hereunder for all costs and expenses, including attorneys' fees, as incurred by Buyer or such other party in connection with any such claim, demand, litigation, proceeding, loss, or damage. In addition, for infringement claims, Seller will, at its own expense and at Buyer's option, either procure for Buyer the right to continue using the allegedly infringing item, replace it with a non-infringing equivalent, or remove it and refund the purchase price and the transportation and installation costs thereof.

19. CONFIDENTIALITY

The Seller shall not disclose any of Buyer's trade secrets, proprietary information, business practices, and/or other confidential information to third parties without the Buyer's prior written consent.

20. NO PUBLICITY

Neither party shall issue or release any announcement, statement, press release or other publicity or marketing materials relating to this Agreement, or otherwise use the other party's trademarks, service marks, trade names, logos, symbols, or brand names, in each case without the prior written consent of the other party.

21. FORCE MAJEURE

Neither party will be held liable for failure to perform its obligations under this Agreement due to events outside of their reasonable control, including, but not limited to, natural disasters, acts of government, or labor strikes. In the event of a force majeure, the affected party must promptly notify the other party and make reasonable efforts to mitigate the impact of the force majeure event. The Buyer may terminate the PO if the force majeure event persists for more than 30 days.

22. ASSIGNMENT

Neither Party may assign the PO without the prior written consent of the other Party, except that Buyer will have the right to assign this PO or any rights under or interests in these terms and conditions to any parent, subsidiary or Affiliate of Buyer or a purchaser of all or substantially all of the assets of Buyer.

23. INSURANCE

Seller will maintain comprehensive General Liability, Automobile Liability and Employers' Liability insurance with limits as reasonably required by Buyer, as well as appropriate Workers' Compensation insurance as will protect Seller from all claims under any applicable workers' compensation and occupational disease acts. Upon request, Seller will furnish to Buyer a Certificate of Insurance completed by its insurance carrier(s) certifying that the required insurance coverage is in effect, with waiver of subrogation, naming Buyer as an additional insured, and containing a covenant that such coverage and will not be canceled or materially changed until ten (10) days after prior written notice has been delivered to Buyer.

24. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement will be governed by and construed in accordance with the laws of California, and any action

relating to the Goods and/or Services or arising out of, or relating to, this Agreement shall be brought and maintained exclusively in the state and federal courts situated in Los Angeles County, California.

25. TERMINATION

The Buyer has the right to terminate any PO for any reason by providing 10 days written notice to the Seller. If the Buyer terminates a PO, the Buyer will only be responsible for paying for Goods and/or Services already provided, and any prepaid amounts for undelivered Goods or unfinished Services will be refunded.

26. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the parties and supersedes all prior communications, whether written or verbal. Any amendments to this Agreement must be made in writing and signed by both parties.

27. AMENDMENTS

Any modifications to these terms and conditions must be made in writing and signed by both parties. The Buyer reserves the right to amend these terms and conditions at any time, provided the Buyer notifies the Seller in writing prior to the start of any new order.

28. GOVERNMENT CONTRACTS

If a PO is issued under a Government prime contract or subcontract, the clauses listed in attachments to the PO are incorporated herein by reference and the terms and conditions thereof shall be controlling over any conflicting terms and conditions set forth herein. The term "Contractor" shall mean Seller, the term "Contract" shall mean this Contract, and the terms "Government", "Contracting Officer", and equivalent phrases shall mean Buyer, as applicable, to fulfill the intent of such clauses.