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# GENERAL TERMS AND CONDITIONS OF PURCHASE AGREEMENT

## 1. Definition

- 1.1. includes JEE TECHNOLOGY CO., LTD and its Affiliates.
- 1.2. means any corporation, company or other entity, which controls, or is controlled by the party or by another affiliate of the party, where control means ownership or control, direct or indirect, of more than fifty (50) percent of such corporation, company or other entity's voting capital. Any such corporation, company or other entity shall be deemed to be an affiliate of the party only when such ownership or control exists.
- 1.3. include but are not limited to business or technical information relating to existing and new businesses or a proposed transaction, technology, know-how, patents, agreements with business partners, market and company-specific data, graphs, drawing, past, current, and planned research and development, current and planned manufacturing, marketing and/or distribution methods and processes, customer lists, price lists and other end-user pricing related information.

## 2. Applicable Terms and Conditions

- 2.1. The following General Terms and Conditions of Purchase Agreement (the "Agreement") shall apply to each order placed by [JEE TECHNOLOGY CO., LTD] ("**JEE**") or its Affiliates with any supplier (the "**Supplier**"). The Agreement shall also apply to all future requests to make an offer and to orders to any Supplier even if they are not expressly included again separately.
- 2.2. Any agreements, changes and amendments require the written approval by JEE.
- 2.3. JEE rejects any general terms and conditions of the Supplier unless confirmed in writing. Unconditional acceptance of goods/services or unquestioned payment by no means signifies acknowledgement by JEE of any general terms and conditions of business of a Supplier.

## 3. Request for Quotation, Quotation, Purchase Order and Order Confirmation

- 3.1. JEE requires a written quotation from the Supplier within 5 working days following JEE's request for quotation.
- 3.2. The Supplier's quotation shall be valid for a minimum of 30 days, unless otherwise indicated

in the request for quotation.

3.3.

- 6.2. All agreed delivery dates are binding.
- 6.3. If an agreed delivery date cannot be met, the Supplier must immediately inform JEE in writing and detail on how it will minimize the impact of the delay.
- 6.4. Acceptance of a delayed delivery does not imply a waiver of claims for compensation or damages.
- 6.5. If due to the Supplier's negligence the agreed delivery date is exceeded, the Supplier shall pay JEE a penalty amount of 0.5% of the respective total value of the delayed goods/services for each calendar day; up to a maximum of 10% of the respective total value of the delayed goods/services. In addition to this, JEE can demand compensation for damages arising from the delayed delivery. If a delivery is delayed, JEE will invoice special transportation, premium working charges and any other additional charges at cost to the Supplier.
- 6.6. Postponements by JEE of the goods/services shall incur no additional costs.

## **7. Delivery Terms**

Unless otherwise agreed by both parties in written ,delivery is made in accordance with DDP (Incoterms 2020) to the destination determined by JEE.

## **8. Property, Transfer of Title and Risk**

- 8.1. The property right and title to the goods sold and delivered hereunder shall be transferred to JEE after JEE has received the goods. The Supplier shall not, by any means, impose any other charge, pledge, lien and other encumbrance over the goods.
- 8.2. The risk of damage to or loss of the goods shall be transferred to JEE when the goods are ready to be unloaded by JEE at the specified destination on the agreed date or within the agreed period.
- 8.3. All drawings, papers, models, appliances, special tools, devices and goods provided by or on behalf of JEE to execute orders remain the unrestricted property of JEE.
- 8.4. Any property and materials supplied by JEE remain the property of JEE under any condition.

## **9. Ethics, Quality and Documentation**

- 9.1. In connection with the order, the Supplier must adhere to any relevant legislations, technical regulations, environmental, health and safety regulations and the agreed technical

specifications and requirements.

- 9.2. The Supplier must maintain a quality, environmental, health and safety management system to a level, which secures JEE's quality standards and at least has the quality standard customary in the industry. JEE reserves the right to examine and audit the management systems to confirm compliance with JEE standards. JEE reserves the right to enter the Supplier's premises at any time during normal business hours and with the Supplier agreement to audit or review any property, materials and processes of the Supplier.

## **10. Warranty**

- 10.1. The Supplier grants JEE full legal and material warranty that the goods/services provided by the Supplier are free from any defects in material, design or workmanship. Unless otherwise agreed by both parties in written, the warranty shall be valid for a minimum period of 12 months from the final acceptance by JEE.
- 10.2. JEE shall inspect delivered goods on a sample-check-basis upon receipt without undue delay and notify any non-conformities to the Supplier.
- 10.3. The Supplier warrants that all goods/services comply with the specifications approved by JEE and to general technical rules. Any non-conformity is the responsibility and liability of the Supplier. The Parties shall agree on the technical specifications prior to any order. The properties listed in the specifications are guaranteed according to the relevant technical specifications. Furthermore, the Supplier warrants that the goods/services fulfil the requirements in respect of material and loading and comply with the standards and the safety, environmental and other related regulations.
- 10.4. Dispatch and disposal costs of all kinds, which are related to the warranty claims shall be borne by the Supplier.

## **11. Liquidated Damages**

- 11.1. The Supplier acknowledges that its failure to successfully complete and deliver the Equipment and other Contracted Items by the date(s) required in the Schedule will have a material adverse impact on JEE's business and operations, and that the damages caused by such delay may not be susceptible of precise determination. Accordingly, unless expressly

provided otherwise in the Contract, JEE may assess liquidated damages in an amount equal to two percent (2%) of the Purchase Price for each calendar week or portion thereof in which the Contracted Items (or any portion thereof) have not (i) achieved Factory Acceptance in accordance with the then-current Schedule, or (ii) been delivered, installed, and achieved Start of Production in accordance with the then-current Schedule, or (iii) been delivered, installed, and achieved Site Acceptance in accordance with the then-current Schedule; provided, however, that such liquidated damages will not exceed a total of ten percent (10%) of the Purchase Price. Without limiting any non-monetary remedies available to JEE under the Contract or at law, this Section 11.1 sets forth JEE's sole right to damages for delay. The Supplier shall pay any liquidated damages to which JEE is entitled within seven calendar days of JEE's written demand therefor. After such five-week period expires, JEE may elect to terminate the Contract for material breach and either:

(a) reject the Equipment or other Contracted Items, without affecting its other remedies, in which case the Supplier shall promptly: (i) refund to JEE all payments of the Purchase Price within seven calendar days of JEE's notice of termination; (ii) arrange to dismantle, pack, and pick up the Equipment or other Contracted Items from JEE's Plant, at the Supplier's sole expense, within 14 calendar days of JEE's notice of termination; and (iii) if the Supplier fails to recover the Equipment or other Contracted Items within the foregoing timeframe, reimburse JEE's actual costs and expenses to dismantle, package, transport and store such items until the Supplier recovers them (including charges for time spent by Tesla personnel); or

(b) complete the Equipment and other Contracted Items on its own, in which case the Supplier will reimburse all costs and expenses incurred by JEE (including costs for time spent by JEE personnel) to complete such work in accordance with the then-current Schedule.

## **12. Liability for Damages, Insurance, Force Majeure**

12.1. The Supplier shall be liable to JEE for all claims of damages made by third parties, particularly for claims arising from product liability, which are due to poor performance of

the Supplier.

- 12.2. For the duration of its contractual obligations, the Supplier shall maintain an employee and product liability insurance, which covers the risks arising from liability at least to the following extent: (i) minimum limit of USD 10 million per year, (ii) including installation and dismantling costs. The Supplier shall provide JEE with evidence of such insurance coverage upon request.
- 12.3. Any delay or failure of either Party to perform its obligations shall be excused if it is caused by an extraordinary and unforeseeable event beyond the control of the nonperforming Party and without the nonperforming Party's fault or negligence, such as acts of God, fires, floods, windstorms, explosions, riots, natural disasters, wars and sabotage. Written notice of such delay, including the anticipated duration of the delay, must be given by the nonperforming Party to the other Party within twenty-four (24) hours of the event. If requested by JEE, the Supplier shall provide adequate assurance that the delay will not exceed such period of time as JEE deems appropriate. If the delay lasts more than the time period specified by JEE, or the Supplier does not provide adequate assurance that the delay will cease within such time period, JEE may, among its other remedies, immediately cancel the Agreement or any Purchase Order, without liability. Additionally, the Supplier shall reimburse JEE for any increase in price that JEE is required to pay to a substitute supplier in order to obtain substitute Equipment. The Supplier acknowledges and agrees that the following will not excuse performance by the Supplier under theories of force majeure, commercial impracticability or otherwise and the Supplier expressly assumes the following risks: (a) changes in market conditions or changes in cost or availability of materials, components, services; (b) actions of the Supplier or its suppliers or contract disputes with suppliers; (c) the inability of the Supplier and/or its suppliers to obtain power, materials, labor, equipment or transportation; (d) the Supplier's or its subcontractor's financial inability to perform; and (e) failure of the Supplier's internal business systems related to the proper processing of information that results in any defect or failure in Equipment, products or services, deliveries, or any other aspect of performance by the Supplier or its subcontractors.

### **13. Packaging**

- 13.1. Packaging shall be suitable to assure the quality of the goods considering the mode of transport and storage conditions at JEE. Any damage to the goods on account of improper packing shall be borne by the Supplier.
- 13.2. Packing shall comply with ISPM 15(International Sanitary Phytosanitary Measure) norms and standards, or comparable standards that may replace this standard in the future.
- 13.3. The Supplier undertakes to tack back, at JEE's request and for the account and risk of the Supplier, the packaging materials used by the Supplier. JEE is also entitled to return such packaging materials to the Supplier for the account of the Supplier.
- 13.4. Loan packaging provided by JEE shall be looked after with due diligence and, if requested, returned to JEE at no charge.

### **14. Foreign Trade**

- 14.1. The Supplier undertakes to state goods in accordance with the export control requirements of the host country. Furthermore, on demand a certificate of origin is to be provided to JEE free of charge.
- 14.2. If necessary, the Supplier will provide JEE with a supplier's declaration, or all other documents required by a customs administration or other authority for a delivery of the goods by JEE to its customers. If the declaration is found to be false and claims are asserted, the Supplier is duty bound to indemnify JEE from all obligations.

### **15. Intellectual Property Rights**

- 15.1. JEE shall have a simple, non-exclusive and transferable right to use any work results made in the scope of a contract to the extent that these are required for the utilization of the work result.
- 15.2. The Supplier is liable for claims that arise from an infringement of intellectual property rights and applications for industrial property rights as long as the objects of delivery are used as specified in the contract.
- 15.3. The Supplier agrees to indemnify and hold JEE harmless against any claims, costs, expenses and damages due to the work results infringing any third-party rights, regardless

of whether such rights are registered or unregistered. In case of the infringement of any third-party rights, the Supplier shall in addition to the indemnification either (i) arrange for a free of charge, non-exclusive license to such third-party rights to JEE or (ii) modify the goods or services in such a way that they no longer infringe the third-party rights.

## **16. Non-Disclosure**

- 16.1. The Supplier shall treat all Trade and Business Secrets, which are disclosed by JEE during the performance of the contract as confidential and shall not disclose such Trade and Business Secrets to third parties. This duty of confidentiality shall remain in force for a period of 10 years after the expiration of the contract.
- 16.2. JEE may claim compensation of any incurred damages in case of an unpermitted disclosure by the Supplier.
- 16.3. The Supplier is prohibited from advertising its business connection with JEE without the prior written consent of JEE.
- 16.4. JEE's logo and brands, identity shall not be included in any marketing and/or promotional materials (including web-based programs) of the Supplier without JEE's prior written consent.

## **17. Data Protection**

JEE takes the protection of data very serious. Therefore, JEE complies with all applicable data protection rules. JEE will not make the Supplier's data available to any undertaking outside the JEE group, that is not involved in the delivery or performance of JEE's order to the Supplier. The Supplier's data will be stored, processed and used in the JEE Group as reasonable necessary. The Supplier shall comply with any data protection regulation applicable and not store, forward or otherwise make available any data of JEE, its Affiliates or any customer, employee, director or officer of JEE or any of its Affiliates except for the purpose of delivery or performance of JEE's orders.

## **18. Non-Contact**

Without JEE's prior written consent, the Supplier may not seek access to, or interact in any way with JEE's customers and any other interested parties in connection with the business, orders

and/or the contracts. This clause does not prohibit the Supplier from making any communications or contact in the ordinary course of business.

### **19. Assignment and Sub-Contracting**

- 19.1. JEE reserves the right at any time to assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the Agreement.
- 19.2. The Supplier may not assign, subcontract, or deal in any other manner with any or all of its rights, claims or obligations under the Agreement without the prior written consent of JEE, such consent will not be given if the relevant assignee or subcontractor does not comply with section 15 of this Agreement or a separate non-disclosure agreement if applicable) concerning JEE's confidential information and data. If JEE consents to any subcontracting by the Supplier, the Supplier shall remain responsible for all the acts and omissions of its subcontractors as if they were its own.

### **20. Product Changes and Discontinuation and Risk of Supply CHANGE MANAGEMENT**

- 20.1. The Products shall at all times conform to the specifications and quality requirements set forth in this Agreement and a specific Order. The Supplier shall not be entitled to modify, change or alter the Products to be provided to JEE without the prior written consent from JEE. Should the Supplier wish to make modifications, alterations or changes to the Products, the Supplier shall inform JEE thereof immediately. Modifications, alterations or changes to the Products shall include changes that affect among others (without limitation): (i) manufacturing methods; (ii) manufacturing processes; (iii) raw materials of the Products; (iv) production facilities; (v) size, form or compilation of the Products and/or of the packaging of the Products.
- 20.2. JEE and/or the JEE's end customer shall at all times be entitled to inspect, test and accept any changes to the Products. Any consent issued by JEE shall, at JEE's discretion, be subject to the aforementioned inspections, testing and other reasonable measures taken by JEE.
- 20.3. Should the Parties agree upon changes to the Products, the Supplier shall implement such changes within the separately agreed time frame.

## 21. Term and Termination

21.1. Unless terminated earlier as provided below, the term of the Agreement will be from the Effective Date of the applicable Purchase Order until the Supplier has completed performance and delivery of all of the Contracted Items and the Supplier has received all payments due under the Agreement (the “Term”). These General Terms shall remain in effect until terminated by mutual agreement of the Parties.

21.2. JEE may terminate the Agreement as follows:

(a) for material breach without affording the Supplier any additional time or opportunity to cure: (i) as provided in Section 11.1 (Liquidated Damages); (ii) as provided in Section 12.3 (Force Majeure); (iii) if the Supplier repudiates or threatens to breach the Agreement; (iv) if the Supplier commits a material breach which is not reasonably susceptible to cure; (v) if the Supplier commits multiple breaches of the Agreement, none of which is necessarily a material breach but which JEE determines have had an aggregate effect comparable to that of a material breach; or (vi) if the Supplier makes an assignment for the benefit of creditors in violation of the Agreement, if proceedings in bankruptcy or insolvency are instituted by or against the Supplier, or if the Supplier becomes a debtor in a bankruptcy, insolvency,

as comes closest to the economic intent and purpose of such invalid or unenforceable provision. The same shall apply in the event that the Agreement contains any gaps.

- 22.2. All remedies provided in the Agreement are cumulative and in addition to and not in lieu of any other remedies available to a Party under the Contract, at law, or in equity.
- 22.3. Any dispute, controversy or claim arising out of, or in relation to, the Agreement, including the validity, invalidity, breach, or termination thereof, shall be resolved by arbitration at the Hong Kong International Arbitration Centre (HKIAC) in accordance with its Rules of Arbitration. The number of arbitrators shall be three. The seat of the arbitration shall be Hong Kong. The arbitral proceedings shall be conducted in English. The losing party shall bear all reasonable costs incurred by the prevailing party in connection with the dispute resolution, including but not limited to litigation fees, attorneys' fees, notarization fees, appraisal fees, travel expenses, and other necessary costs incurred in enforcing creditor's rights.
- 22.4. The Agreement shall be governed by and construed in accordance with the applicable laws of the People's Republic of China, excluding the application of all other conflict laws.
- 22.5. Unless otherwise expressly provided for herein, no provisions of the Agreement is intended or shall be construed to confer upon or give to any person or entity other than the Supplier, JEE or JEE's Affiliates (and their authorized assignees) any rights, remedies or other benefits under or by reason thereof.
- 22.6. In the event of a conflict among the documents that comprise the Agreement, the order of precedence will be: (i) any written agreement signed by authorized representatives of both Parties expressly amending the Contract; (ii) the Purchase Order; (iii) these General Terms (the Agreement); iv any exhibits, attachments, schedules and documents prepared by JEE and included in or incorporated by reference through the Purchase Order or General Terms; and any exhibits, attachments, schedules and documents prepared by the Supplier and included in or incorporated by reference through the Purchase Order or General Terms.