



TERMS AND CONDITIONS

Unless otherwise expressly established in this Purchase Order, the Purchase Order is limited to the terms and conditions set forth herein. Customer objects to any additional or different terms and conditions proposed by Supplier in any proposal, quotation, acknowledgement of receipt or other document. Such proposed terms and conditions shall be null and void; and the terms and conditions set forth herein shall constitute the complete and exclusive representation of the terms and conditions of the agreement entered into by the parties.

1. **DEFINITIONS.** The term "Customer" means CYDSA S.A. de C.V., or its subsidiary(ies) or affiliate(s) executing this Purchase Order. The term "Order" refers to the Purchase Order. The term "Supplier" means any individual, corporation or other entity providing the Products or Services. The term "Services" refers to all services to be provided by Supplier and purchased by Customer pursuant to this Purchase Order. The term "Products" means all items, materials, equipment, software, tooling and/or parts supplied pursuant to this Purchase Order.
2. **ACCEPTANCE AND MODIFICATIONS.** This Purchase Order (hereinafter, the "Order") represents the entire agreement between Customer and Supplier for the supply of The Products and/or Services and supersedes any prior or contemporaneous negotiations or any agreement in relation thereto. Modifications or changes made to this Order shall be void unless confirmed in writing by the Customer. The Supplier confirms that it has access to these terms and conditions including all terms incorporated herein by reference, whether located on a referenced website or otherwise.
3. **TERM.** The term of this Purchase Order begins and ends on the dates set forth on the cover sheet of the Order, unless terminated by Customer or terminated early as set forth herein.
4. **PRICE:** The price of the Products delivered or Services provided in compliance with these Terms shall be the price indicated in the Order, which is expressed in local currency, unless otherwise indicated (the "Price"). In the event that the Price is expressed in other currencies, such Price may be paid for its equivalent in local currency according to the exchange rate for settling obligations in foreign currency published by Banco de México in the Federal Official Gazette for the day on which payment is made. The Price is fixed and may not be increased for any reason, including, by way of example but not limited to, in cases related to increases and problems with raw materials or in cases of force majeure. The Price includes all costs that may be incurred by the Supplier (including labeling, packaging, taxes, duties, loading and unloading, insurance and transportation (unless otherwise specified in the Order)).
5. **TERMS AND CONDITIONS OF PAYMENT:** Supplier shall send invoices in a timely manner once the Products and/or Services have been delivered. Invoices sent after sixty (60) days will not be accepted. Payments shall be made by deposit or electronic transfer of funds to the bank account indicated in writing by the Supplier. Invoices shall contain all applicable tax requirements and itemize the items that comprise the invoice, including Value Added Tax. Unless otherwise provided in this Order, net payment of invoices for Products or Services shall be made 60 days from the reception date of invoice.
6. **DELIVERY:** All Products shall be delivered with the packaging as may be necessary to prevent damage to such Products in accordance with the instructions contained in the Order, or as directed in writing by Customer. In the absence of such instructions, Supplier shall comply with best commercial practices in order to ensure delivery of the Products to their destination, undamaged and at the lowest transportation cost to the address indicated for delivery. Delivery shall be made in the quantities and within the time periods stated in the Order, or otherwise as directed in writing by Customer. Customer shall not be obligated to receive or make payment for Products delivered or Services rendered to Customer in advance of the scheduled date or in excess of the amounts specified in the Order, and may, at its option, return such Products to Supplier or reject the Services, at Supplier's risk and expense. In certain cases and depending on the type of Product, the Customer may receive Products in excess of the quantities specified in the Order, provided that the Customer specifies in the Order the permitted limit or margin. Customer may change the frequency of deliveries, or indicate the temporary suspension of scheduled deliveries, and in neither case shall Supplier have the right to modify the Price of the Products or Services covered by the Order. For orders of Products for which quantities and/or delivery schedules are not specified, Supplier shall deliver the Products in the quantities and on the dates indicated in writing by Customer. In the event that in order to comply with the delivery date requested by Customer, as set forth in the Order, it is necessary for Supplier to accelerate the execution of the Order, Supplier shall pay any additional costs related to such acceleration.
7. **CUSTOMS DUTY DRAWBACK RIGHTS.** Included in this Order are all customs and import duty drawback rights (including rights acquired by substitution and rights that may be acquired by Supplier's suppliers), if any, that Supplier may transfer to Customer. In the event that such rights exist, the Supplier shall inform the Customer and, upon the latter's request, shall provide the Customer with the documents necessary to receive the corresponding refund.
8. **QUANTITY AND PACKAGING SPECIFICATIONS:** Supplier agrees to supply Customer with the quantity of Products or Services requested by the latter as set forth in the Order. All finished Products shall be packaged and labeled in accordance with the Customer's requirements. All Products shall permanently display the part number and lot, weight, name or name code, including any bar code identification, and the date of manufacture of the Products, unless otherwise agreed in writing by Customer. Supplier shall deliver samples in accordance with applicable quality standards as required by Customer.



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9. **SURPLUS AND SHORTAGE OF PRODUCTS.** Except for and only at Customer's sole discretion, overages or shortages of Product specified in this Order shall not be accepted and such Product shall be at Supplier's risk. The Customer shall not be obliged to keep or conserve the surplus or missing Products delivered by the Supplier. The Customer may return such Products at the Supplier's request and at the Supplier's risk, provided that the Supplier shall pay all transportation costs, both to and from the original place of destination.
10. **CHANGES:** Supplier may not make changes to any Order, or to the Products or Services, or to the manufacture, testing, quality processes, materials, design, drawings, specifications or packaging of the Products, without prior written approval of Customer. Any unauthorized change of any nature whatsoever shall constitute a breach of the obligations of Supplier under these Terms. The Customer may request changes at any time by giving prior written notice to the Supplier. Supplier shall implement the changes, and the Order shall be considered modified, in order to include such changes, provided that in the event the requested changes increase or decrease the Price of the Products or the delivery period required to fulfill the Order, Supplier shall inform Customer in writing, providing detailed information on the impact on the Price, within 5 (five) calendar days following the date of Customer's request for change, and the parties shall negotiate an equitable adjustment in the Price, in order to adjust such increase or reduction in costs. Supplier may not refuse to make delivery of the Products while the parties negotiate price modifications based on the changes. The Supplier shall implement the changes and continue to comply with them while any dispute is pending resolution. All agreed changes to the Price or delivery schedule will be implemented in accordance with these Terms.
11. **INSPECTION:** Supplier's facilities, equipment, materials, records, and the Products and Services purchased and to be purchased under these Terms are subject to audit, verification, inspection and acceptance by Customer. The parties agree that Customer may inspect, review, verify and audit any Products during any stage of their manufacture, fabrication, delivery or completion. The Customer shall have the right to enter the Supplier's premises on business days and hours for the purpose of inspecting, checking, verifying and auditing the Customer's facilities and materials covered by these Terms. Supplier agrees to provide all supporting documentation and information required by Customer and its clients during the course of such inspection. Upon Customer's request, Supplier shall submit production and quality test reports, as well as related data. Customer's inspection of the Products, whether during manufacture, prior to delivery or within a reasonable period of time after delivery, shall not constitute acceptance of any work in process or finished goods. Nothing in these Terms shall relieve the Supplier from the obligation to test, inspect, verify and maintain quality control. The Supplier shall retain all necessary documentation and information related to the Order for a period of 5 (five) years following completion of the Services or delivery of the Products in accordance with these Terms.
12. **WARRANTY:** Supplier expressly represents and warrants to Customer, its successors and assigns, and Customer's clients that all Products delivered by Supplier: (a) will conform to all specifications, designs, samples, drawings and descriptions furnished or expressly accepted in writing by Customer, as well as to the standards and other requirements set forth in Section 6; (b) will be new; (c) will be of good material, workmanship and manufacture and of the highest quality; (d) will be merchantable, safe and fit for the specific use and purpose intended by Customer and its clients and will be free from all defects, whether hidden or obvious; (e) will be free from all liens, encumbrances, encumbrances and encumbrances, and will be free from all liens, encumbrances, encumbrances and encumbrances of any kind; (e) shall be free of all liens, encumbrances, encumbrances and encumbrance; (f) shall be delivered in containers and packaging adequate to prevent damage to the Products, and shall be properly marked and labeled; and (g) shall be manufactured in compliance with all applicable laws, regulations, rules and legal provisions, including the provisions contained in this Order, as well as with all quality standards applicable to the industry, including, but not limited to, the Mexican Official Standards. All Services provided by the Supplier shall be rendered in a competent and efficient manner and in accordance with the highest industry standards. The Supplier warrants that all materials used in the manufacture of the Products shall be new and of high quality. No substitution of the specified materials shall be made without the prior written consent of the Customer. Supplier further represents and warrants that the Products shall not include any trademarks, distinctive signs, trade names, or any other element subject to Intellectual Property protection that has not been expressly requested in Customer's specifications and even in such cases, Supplier shall do so in strict accordance with Customer's express written instructions. These warranties shall be in addition to all other warranties, express or implied, that apply in accordance with applicable law. These warranties shall apply notwithstanding inspection, testing, delivery, acceptance, use or payment by Customer, as well as termination, expiration or cancellation of the Order. The warranties contained in these Terms may not be limited or waived by the Supplier. Customer's approval of Supplier's design, material, process, schematics, specifications or similar concepts shall not be construed as Supplier's release of the warranties set forth in these Terms or waiver by Customer unless Customer so indicates in writing. With respect to the Services, the warranties contained in these Terms shall not expire. With respect to the Products, the warranties contained in these Terms shall apply for a period of time of 18 (eighteen) months from delivery of the Products to Customer and/or its clients or 12 (twelve) months from the operation or use of the Products, whichever occurs first, unless otherwise stated in writing by Customer.



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13. **PRODUCT NON-CONFORMITY:** Notwithstanding payment or prior inspection of the Products, in addition to any other remedies to which Customer may be entitled, Customer, at its option and at Supplier's risk, may reject and return, or retain and correct Products that do not meet the specifications provided by Customer and that do not comply with the warranty set forth in Clause 12 of these Terms. Products that do not comply with the specifications shall be replaced within 24 (twenty-four) hours, or within the term indicated by the Customer in writing, by others that comply with the agreed specifications, or shall be repaired or corrected by the Supplier at its sole cost if possible, all of the above at the Customer's option. Non-conforming Products shall be returned by the Customer to the Supplier at the Supplier's cost and risk. In the event Supplier fails to provide written instructions within 5 (five) calendar days from the date of the notice of nonconformity, it shall entitle Customer, at its option, to charge Supplier for the storage and handling or disposal of the Products, without any liability to Customer. Payment for Products that do not comply with the agreed warranty and specifications shall not constitute acceptance thereof, nor shall it limit or affect Customer's right to initiate any claim, proceeding or legal action, nor shall it release Supplier from any liability it incurs for nonconforming Products, defects or quality problems. The Supplier shall have a safety inventory that will allow the Customer a quick response in case of replacement of Products due to defects or that do not comply with the specifications provided by the Customer, as well as to meet changes in the Order by the Customer (such as higher volume or shortening the delivery date of the Products). The security inventory shall be for the volume or number of days indicated in writing by the Customer in each case.

14. **REMEDIES:** In addition to other remedies set forth in these Terms, as well as legal remedies under applicable law, in the event Supplier breaches any of its obligations under these Terms, or delivers the Products or provides the Services with defects or nonconformities, or fails to comply with the warranties established in these Terms, whether or not apparent at the time of receipt of the Products, Supplier shall immediately, at its own expense and at Customer's option: (i) repair or replace defective Products, or refund amounts paid for defective Products; (ii) expedite deliveries and late performance; (iii) pay all costs related to the nonconforming Products, including but not limited to, costs of inspection, inventory selection to isolate the nonconforming Products, replacement, repair, storage, repackaging, removal, transportation and delivery; and (iv) pay all other costs, charges, fines, penalties, sanctions, penalties or damages incurred by Customer or its clients in connection with the nonconforming Products. The Supplier undertakes to provide immediately, at its own cost and expense, the Services that do not meet the Customer's requirements or do not comply with the warranties set forth in these Terms. Furthermore, Supplier shall be liable for all damages caused to Customer or its clients arising from any

breach of its obligations under these Terms, including, without limitation, all damages, costs and expenses incurred by Customer, or those damages that Customer's customers pass on to or claim from Customer as a result of Supplier's breach, including attorneys' fees and expenses (the "Damages"). In addition, Customer may cancel any Order covering the non-conforming Product or Service, or covering other possibly affected Products or Services, without incurring any liability whatsoever. The parties further agree that Customer's rights and remedies, including without limitation to the total amount and Damages that Customer may recover at the time Customer is required to file a claim or suit, shall not be reduced or limited in any way.

15. **CONFIDENTIAL INFORMATION:** The Supplier undertakes to keep all information obtained from the Customer in absolute confidentiality and secrecy, and shall refrain from disclosing it to third parties, in the understanding that it shall ensure that the personnel in charge of the Supplier shall keep such information in absolute confidentiality. The term "Confidential Information" means all information or documentation belonging to the Customer, which is and shall at all times remain the property of the Customer, whether in printed, written, oral form or contained in software, optical discs, magnetic tapes, or any other electronic or magnetic media, microfilm, photographs, recordings, plans, diagrams or any other instrument, which is disclosed by the Customer in connection with these Terms. Confidential Information will include, but is not limited to, the following: commercial, process and production information, commercial strategies and operating models, the application and improvements of inventions, patents, commercial notices, utility models, industrial designs, industrial drawings, "Know How", legal, financial or any other type of information. The Confidential Information shall be considered an industrial secret, in accordance with Article 163 and other provisions of the Federal Law for the Protection of Industrial Property. The following shall not be considered as Confidential Information: (i) that which, prior to the date of the Order, has been in the public domain; or (ii) that which, subsequent to the date of the Order, is in the public domain, through no fault or negligence of the Supplier; or (iii) that which shall be disclosed in compliance with a duly founded and motivated order, issued by a legitimate and competent judicial or administrative authority, in the understanding that the Supplier shall timely inform the Customer of this situation, in order for it to take the measures it deems appropriate. By virtue of this, the Supplier shall use the Confidential Information only for the fulfillment of the obligations it assumes in accordance with these Terms and shall be responsible for the unauthorized disclosure of the Confidential Information, and shall also be liable for the payment of damages that this causes to the Customer. The confidentiality obligation established herein shall remain in effect during the execution of the Order and up to 5 (five) years thereafter from the date of termination or expiration of the Order. The Supplier undertakes to



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destroy or return to the Customer all Confidential Information provided by the Customer, as well as all copies, upon the Customer's request.

16. **INDUSTRIAL AND INTELLECTUAL PROPERTY:** Customer is the owner of all specifications and all Confidential Information provided by Customer to Supplier in accordance with these Terms, including all modifications or improvements made by Supplier to such specifications. Supplier agrees that any feedback, suggestions or comments made by Supplier to Customer with respect to Customer's Products, Services, specifications or Confidential Information originally delivered by Customer (the "Feedback") shall be given on an entirely voluntary basis and grants Customer the right to use, disclose, reproduce, license, distribute or exploit the Feedback for any purpose whatsoever, in its entirety, without assuming any obligation of payment or restriction on the use or disclosure. In addition, Supplier agrees that all materials, regardless of the form in which they are manufactured or produced by Supplier in terms of the Order (the "Work Product") shall be deemed to be "work made for hire" in accordance with the provisions contained in the Federal Copyright Law, and are hereby assigned to and shall become the absolute property of Customer. In the event that any part of the works of authorship created by Supplier in the course of providing the Services in accordance with these Terms does not qualify as a "work made for hire", Supplier hereby assigns, or in the event that Supplier has not previously secured ownership of all copyrights related to that part, shall obtain title to and assign all copyrights related to such work, in favor of Customer. Upon request and at Customer's expense, Supplier shall execute all documents and reasonably assist Customer, to the extent necessary, to grant Customer ownership of all Work Product, Feedback and modifications or enhancements to the specifications, and to enable Customer to obtain the Intellectual Property Rights in such Work Product, and modifications or enhancements to the specifications. The term "Intellectual Property Rights" means all: (a) copyrights, trademarks, layout designs and patents; (b) rights relating to innovations, know-how, trade secrets and Confidential Information; (c) moral rights, copyrights and rights of publicity; and (d) other rights related to industrial, proprietary and intellectual property rights anywhere in the world, whether existing now or in the future, as well as all renewals and extensions of the foregoing, regardless of whether such rights have been registered with the relevant authorities in such jurisdictions, in accordance with applicable law. Supplier shall not sell, transfer or otherwise dispose of or encumber any product incorporating any trademark, patentable invention, copyright work, industrial design or other concept that is subject to any Intellectual Property Right of Customer, in favor of third parties other than Customer, except as expressly authorized in writing by Customer. Supplier further agrees and acknowledges that nothing contained in these Terms shall be construed as conferring any rights or licenses with respect to any Intellectual Property Rights and/or Confidential Information

of Customer in favor of Supplier. The Supplier's obligations set forth in this Clause shall continue in force even after the termination of the Order.

17. **PRIVACY NOTICE:** In compliance with the provisions of the Federal Law for the Protection of Personal Data in Possession of Individuals, the Customer informs the Supplier that the data obtained by virtue of the acceptance of the Order, will be treated confidentially through the systems provided for such purposes and will be used for the operation covered by the Order. Likewise, the Supplier may limit the use or disclosure of its data or exercise the rights of access, rectification, cancellation or opposition granted by the Law, by means of a request submitted to the address indicated in the Order. Likewise, the Supplier has the right to initiate a Data Protection procedure before the Federal Institute of Access to Information and Data Protection (IFAI), within 15 (fifteen) calendar days from the date on which it receives the Customer's response, or from the end of the period of 20 (twenty) calendar days from the date of submission of the corresponding request. The Customer shall notify the Supplier in writing of any changes made to this Privacy Notice. Any modification may be notified in writing, by the use of electronic means, or by publication of the modification on the Customer's website. The Supplier agrees to comply with the Customer Privacy Notice, which is available at the following website: <https://www.cydsa.com/AvisodePrivacidad.pdf>
18. **RISKS AND DAMAGES:** Supplier shall be liable for all damages to the Products referred to in the Order until such time as the Products are received by Customer to Customer's satisfaction and shall be liable until such time for damages caused to Customer, as well as for losses and shortages of Products. Likewise, the Supplier shall be liable for all damages that may be caused to the goods or personnel of the Customer or any third party, including but not limited to, general communication routes and natural resources, derived from failures in quality, quantity, packaging, transport and/or improper maneuvers carried out by the Supplier in the provision of the Services or delivery of the Products referred to in the Order, transportation and/or improper maneuvers carried out by the Supplier in the provision of the Services or delivery of the Products referred to in the Order, and therefore, the Supplier undertakes to indemnify and hold harmless the Customer, subsidiaries, affiliates, shareholders, directors, officers and/or employees, from any claim and/or lawsuit of any kind that any third party may exercise against it for this concept. Unless otherwise stated in the Order, the terms of delivery for all deliveries made under this Order shall be "CIP (Incoterms 2010) - at such place as Customer shall designate in writing in the Order".
19. **INSURANCE:** Supplier shall maintain insurance coverage with the carriers of the Products in a form acceptable to Customer. Supplier shall provide Customer with a certificate evidencing compliance with these insurance requirements or certified copies of all insurance policies,



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within 5 (five) calendar days from the date of Customer's request. The policy shall provide that the Customer shall be notified by the insurance company at least 30 (thirty) calendar days in advance of any modification or cancellation of the insurance. The delivery by the Supplier of insurance policies or the purchase of insurance shall not relieve the Supplier from its obligations or liabilities under these Terms. In the event that the delivery of the Products or the provision of the Services is carried out at the Customer's premises, the Supplier shall have a liability policy with comprehensive coverage, issued by an insurance institution of recognized solvency that covers the Customer for any liability for damages, claims or losses suffered as a result of the supply of the Products or the provision of the Services by the Supplier (in their persons, goods and/or property). The premiums generated in connection with this policy shall be for the exclusive account of the Supplier. In the event of a claim, the Supplier undertakes to cover the corresponding deductible to the insurer. Nothing in this Clause shall affect and/or alter the application of any other provision contained in these Terms.

20. **FORCE MAJEURE:** By act of God or force majeure is understood, by way of example but not limitation, those facts or events beyond the control of the parties, such as strikes, labor disturbances (generalized and not specific to the production center of any of the parties), riots, quarantine, epidemics, wars (declared or not), blockades, terrorist acts, civil disturbances, insurrection, fires or explosions (when they have not been caused or contributed to), storms, earthquakes, floods and any other cause which, being beyond the will of the parties, prevents the fulfillment of any obligation. In the event that either party is affected by an act of God or force majeure, it shall immediately notify the other party in writing, and in any event within 24 hours of the commencement of such event, stating the effects of such event with respect to the performance of its obligations under these Terms, as well as the estimated duration of such event. Likewise, the party affected by the event of act of God or force majeure shall immediately notify its counterparty at the time such event ceases. During the period of the force majeure event affecting the Supplier, the Customer may purchase Products from third parties and reduce its obligations under any Order by such proportion, without the Customer incurring any liability whatsoever. In the event that the default or force majeure event affecting the Supplier lasts more than 30 (thirty) calendar days, the Customer may immediately cancel the Order, without incurring any liability. A force majeure event shall not constitute grounds for any increases in the Price of the Products or Services.
21. **TERMINATION:** In the event of material breach by any of the parties of their obligations under these Terms, the affected party shall be entitled to choose to sue for the forced performance or termination of the obligation, without the need of a court resolution in both cases, with the compensation of the Damages caused by such breach, in

accordance with Article 1949 of the Federal Civil Code and its correlatives in common matters. In the event that the breach is due to an act of God or force majeure, the provisions of the preceding paragraph of this Clause shall not apply. Material breach by Supplier means (a) delivery of Products that do not comply with the specifications provided or expressly accepted by Customer; (b) untimely delivery of Products; (c) failure to deliver Products to Customer; or (d) incomplete or partial delivery of Products to Customer. Moreover, a material breach by the Customer is understood to be the non-payment of the Price of the Products delivered. The parties may only terminate all or any part of the Order, without incurring any liability and without having to pay any amount, in the event that the other party breaches any of its obligations under these Terms and fails to remedy such breach within 30 (thirty) calendar days from the reception date of the written notice of breach, which shall state such breach. In the event of such termination, Customer, without prejudice to any other rights and remedies, may (a) refuse delivery of Products or Services; (b) recover any advance paid to Supplier for Products not delivered or returned, or Services not rendered; and (c) request reimbursement of any amounts covered by Customer. The Supplier shall continue to perform all of its obligations so long as there is a pending dispute or claim under these Terms.

22. **INSOLVENCY:** Customer may terminate the Order immediately, without the need for a court resolution, and without any liability whatsoever to Supplier, in the event of any of the following events, or any other event similar to these: (a) the Supplier declares bankruptcy or insolvency; (b) bad debt of the Supplier; (c) the Supplier is summoned to strike, or when such summons results in the outbreak of a strike that is not lifted within 5 (five) business days; (d) the Supplier is declared in dissolution and/or liquidation; (e) upon the appointment of a receiver, trustee or intervenor by the Supplier; (f) upon the execution by the Supplier of an assignment of its assets for the benefit of its creditors; or (g) upon the total or partial sale of the Supplier's assets that implies a change of control. The Supplier shall immediately inform the Customer in writing, whenever any of the above-mentioned events occur.
23. **EARLY TERMINATION:** In addition to any other right of Customer to terminate the Order, Customer may immediately terminate all or any part of the Order, at any time and for any reason, and without court resolution, by giving Supplier at least 5 (five) calendar days prior written notice. Upon termination, Customer shall pay Supplier the following amounts, without duplication: (a) the Price corresponding to the Products delivered or Services concluded in accordance with these Terms and which have not been previously paid; and (b) the Products in process of manufacture, in the understanding that their value shall be determined proportionally in relation to the Price agreed in the Order, and Supplier shall deliver such Products to Customer. Customer shall not make payments in respect of finished Products, Products in process of manufacture



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or raw materials manufactured or obtained by Supplier, in quantities exceeding those authorized in the Order, as well as for undelivered Products, which are part of Supplier's inventory or are readily marketable. Payments made under this Clause shall not exceed the total price to be paid by Customer for the finished Products or Services that would be manufactured or performed by Supplier in terms of the delivery schedules derived from the Order in effect at the date of termination. Except as provided in this Clause, Customer shall not be liable and shall not be obligated to make payments to Supplier, directly or on account of claims by Supplier's subcontractors, for lost profits, damages, unabsorbed overhead, interest on claims, product development and engineering costs, unamortized depreciation costs, facility and equipment rental costs, and general and administrative expenses arising from the termination of the Order. Within 60 (sixty) calendar days following the effective date of termination, Supplier shall submit a comprehensive termination claim to Customer, with sufficient supporting data to permit a review by Customer, and thereafter, Supplier shall promptly provide all supplemental and supporting information that Customer may request. Customer shall have the right to check, audit, verify and examine all books, records, facilities, material works, inventories and any other items relating to any termination claim of Supplier. The parties expressly agree that any claim not filed by the Supplier within the aforementioned term shall expire.

24. **NOTICE OF LABOR DISPUTES:** Whenever Supplier becomes aware that a labor dispute, actual or possible, delays or threatens a delay in the timely performance of the Order, Supplier shall give prompt written notice to Customer of such situation, including all relevant information about such dispute, so that the parties may agree on an adequate supply of Products or provision of Services in accordance with these Terms, in the event of a strike or work stoppage, and thus prevent to the extent possible such strike or work stoppage from affecting Customer's operating activities.

25. **COMPLIANCE WITH LAW:** Supplier and all Services rendered or Products delivered by Supplier pursuant to these Terms shall comply with all applicable federal, state and municipal laws, as well as all applicable regulations, norms, decrees, provisions and official Mexican standards, including but not limited to, the Federal Labor Law, the Social Security Law, the Law of the National Workers' Housing Fund Institute, the Federal Law of Environmental Responsibility, as well as any other legislation and regulations applicable in the places where the Customer markets (a) the Products and/or Services covered by the Order; or (b) the final products incorporating the Products covered by the Order, whichever is applicable. The Supplier shall immediately remedy any breach and shall indemnify and hold harmless the Customer and its clients from any liability of any kind arising from such breach, and shall pay the Customer and its clients any damages

caused to the Customer and its clients as a result of its failure to comply with the applicable provisions.

26. **CODE OF CONDUCT AND ANTI-CORRUPTION PRACTICES:** Supplier shall deliver the Products and provide the Services in accordance with these Terms, with the highest ethical standards, in compliance with Customer's policies, regulations, manuals and codes of conduct and other standards applicable to Supplier. The Supplier agrees to comply with the Customer's Code of Conduct, which is available at the following page: https://www.cydsa-e.com.mx/img/CYD_PrincipiosGuiaProveedores.pdf. Furthermore, the Supplier agrees to refrain from engaging in corrupt practices, including any type of bribery or improper compensation.

27. **TECHNICAL SHEET, PRODUCT SAFETY DATA SHEET AND ENVIRONMENTAL MANAGEMENT SYSTEM:** The Supplier shall provide the Customer with the Technical Sheets of the Products, the Technical Manuals of their designs, as well as the Safety Data Sheets (HDS) of the Products, in terms of NOM-018-STPS-2000, at the time the same are delivered to the Customer, documents that shall include in an enunciative but not limiting manner, the specifications, properties, compatibility and characteristics of the Products that the Customer shall know for their disposal, handling, transportation, storage and proper use. Likewise, the Supplier shall inform the Customer, in terms of NOM-003-SCT-2008, NOM-004-SCT-2008 and NOM-005-SCT-2008, the necessary characteristics for the mobilization, entry and transportation of Products. The Supplier shall comply with the applicable legal provisions regarding the labeling of the Products, including but not limited to comply with NOM-002-SCFI-2011. Likewise, the Supplier shall deliver, when requested by the Customer, certificate(s) certifying that it has an environmental management system for total quality and/or that the Products comply at all times with all applicable provisions regarding safety, health and environmental protection in the place where they are marketed.

28. **IMPORTS AND CUSTOMS:** Any credits or benefits resulting or arising from the Order, including trade credits, export credits or drawback or refund of customs duties, taxes or contributions, shall accrue to Customer. Supplier shall provide all necessary information (including written documentation and electronic records of transactions) to enable Customer to receive such benefits or credits, as well as to comply with its customs obligations, origin marking or labeling requirements, import pedimentos, and local content origin requirements. Export permits for the Products or authorizations necessary for the export of the Products shall be the responsibility of Supplier, unless otherwise stated in the Order, in which case Supplier shall provide all documentation and information necessary to enable Customer to obtain such permits or authorizations. Supplier agrees to make such arrangements as may be necessary for the Products to be covered and to qualify for



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any duty deferral under free trade agreements or other preferential duty treatment of the country of importation, including, whenever required by the preferential duty treatment, a duly executed certificate of origin. Supplier agrees to retain records verifying that the Products are eligible for the preferential treatment set forth above for a period of 2 (two) years following the date of delivery of any Order. The Supplier undertakes to provide such records in a timely manner upon written request of the Customer. The Supplier shall comply with all foreign trade regulations of the importing country.

29. **NO LABOR RELATIONSHIP:** The parties acknowledge and agree that they are independent entities and that the only legal relationships existing between them are those resulting from these Terms, and therefore shall not generate any relationship of an employment nature with respect to the dependents, employees, agents or personnel of the other party used for the achievement of the purposes of these Terms, reason for which each of the parties will be the only responsible with its own personnel used in the development of the same, which is under its immediate direction and dependence, for the payment of ordinary and extraordinary salaries, vacations, Christmas bonus, seniority premium, accidents, dismissals, affiliation to the Mexican Social Security Institute (IMSS), Institute of the National Workers' Housing Fund (INFONAVIT) and the Retirement Savings System (SAR), as well as any obligation derived from the work relationship existing between said party and its personnel, whether they are individuals or legal entities, therefore, neither of the parties shall be liable for any conflicts that may arise from the aforementioned concepts generated by the personnel of the other party, and the parties undertake to indemnify the other party from any claim that said personnel may attempt against it, compensating any amount that may have been incurred for said reason, including attorney's fees and expenses. By virtue of the foregoing, there shall be no subordination whatsoever between the parties, for which reason there shall be no employment relationship whatsoever.
30. **INDEPENDENCE OF THE PARTIES:** These Terms shall not represent, for any reason whatsoever, an association, alliance or partnership between the parties, for which reason each one shall maintain, at all times, independence from the other, as well as its legal personality, each one assuming the rights and obligations arising from independent legal acts, before third parties. Likewise, these Terms shall not represent a mandate, nor shall they grant powers of representation of one party with respect to the other, so that no employee, agent, representative, officer, supplier and other persons of the parties may represent themselves as agents, representatives, attorneys-in-fact or representatives of the other party.
31. **ADDITIONAL AND ACCUMULATIVE RIGHTS AND REMEDIES:** The rights and remedies of the parties set forth in these Terms are cumulative and additional, and are

not in lieu of the rights and remedies available to them under applicable law, in the event of any breach by the parties of their obligations under these Terms.

32. **LIMITATION OF LIABILITY:** Customer SHALL NOT BE LIABLE FOR INDIRECT, CONSEQUENTIAL AND INCIDENTAL DAMAGES, SUCH AS LOSS OF POTENTIAL INCOME, LOSS PROFITS, LOSS OPPORTUNITY COSTS, LOSS SALES, AMONG OTHERS. THE CUSTOMER'S TOTAL LIABILITY UNDER THESE TERMS SHALL NOT EXCEED THE PRICE OF THE PRODUCTS OR SERVICES GIVING RISE TO THE CLAIM. In the event that the Customer incurs consequential damages against its clients, which are attributable to a breach by the Supplier, the Customer shall be entitled to pass such damages on to the Supplier, whereby the Supplier shall be obliged to compensate the Customer to the extent and in the proportion to which the Supplier has given cause for this.
33. **NO OFFERING OF EMPLOYMENT:** For a period of 1 (one) year from the acceptance of the Order, Supplier shall not, either directly or indirectly, without the prior written authorization of Customer, hire, attempt to hire, recruit or offer employment to any of Customer's employees in connection with the Order.
34. **COMPENSATION:** Supplier authorizes Customer to withhold, deduct, discount, offset and apply any amount owed by Supplier or any of its subsidiaries or affiliates, to Customer, by way of penalty, damage or detriment, or any other sum of money owed by Supplier to Customer in accordance with these Terms. Supplier shall in no event withhold, deduct, discount, set off or apply any amount owed by Customer or any of its subsidiaries or affiliates, or withhold delivery of the Products.
35. **NON-EXCLUSIVITY:** The acceptance of the Order by the Supplier does not mean that there is exclusivity on the part of the Customer in favor of the Supplier in the purchase of the Products and/or in the acquisition of the Services, so that the Customer shall be free to acquire from any third party products or services such as those that are the object of the Order.
36. **COMPETITIVENESS:** In the event that another Supplier or provider offers Customer a better price for the Products or Services, under similar conditions to those that are the subject of the Order, Customer shall make known in writing the offer received to the Supplier so that the latter, within a period not to exceed 10 (ten) calendar days, matches such offer or improves it. In the event that the Supplier does not match or improve the offer proposed by the third party within the aforementioned term, the Customer may terminate the Order without any liability on its part, by simple written notice which, in this case, shall be effective 30 (thirty) calendar days after it is received by the Supplier, and freely contract the supply of the Products or the provision of the Services object of the Order with said



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supplier or provider. In this case, the provisions of Clause 20 will apply.

way affect the validity and enforceability of the remaining provisions of these Terms.

37. **NOTICES:** All notices, requests, requirements, authorizations, consents, notifications and other communications that the parties require to be made in connection with the Order and these Terms, shall be in writing and delivered personally, or sent by courier service, certified mail or e-mail, with return receipt requested in all cases, to the respective addresses of the parties indicated in the Order, or to the addresses indicated for invoicing purposes, or to any other address that the parties expressly indicate by written notice, in the understanding that without this notice, all communications and notifications shall be understood to have been validly made at the addresses indicated in the Order. The acknowledgement of receipt shall be the document evidencing the notification, which shall take effect one (1) business day after it has been made.
38. **ASSIGNMENT:** The Supplier may not assign, encumber or transfer in whole or in part the rights and obligations it assumes under these Terms, without the prior written consent of the Customer. In the event of an assignment by the Supplier, the assignee of such assignment shall be bound to comply in full with all terms and conditions of these Terms. For its part, the Customer reserves the right to assign, encumber or transfer in whole or in part the rights and obligations it assumes under these Terms at any time and without prior consent from the Supplier to any of its affiliates or subsidiaries by giving written notice to the latter.
39. **SUBCONTRACTING:** Supplier may not subcontract in whole or in part the work related to the Order, without the prior written consent of Customer, which shall not relieve Supplier from compliance with all terms and conditions contained in these Terms. In the event Customer authorizes subcontracting, Supplier shall retain direct responsibility for all work subcontracted in accordance with these Terms, and shall indemnify and hold Customer harmless from any and all liability arising from the acts or omissions of Supplier's subcontractors.
40. **TOTAL AGREEMENT:** These Terms constitute the entire agreement between the parties hereto and supersede and set aside any and all other agreements, contracts, understandings, proposals, understandings or other arrangements made by the parties hereto prior to the date of issuance of the Order, whether oral or in writing. In the event of any inconsistency between the provisions of these Terms and any other document, these Terms shall prevail, except where the Terms themselves refer to the Order on certain specific issues. These terms and conditions shall prevail over the Supplier's terms and conditions, which shall have no legal effect.
41. **AUTONOMY OF PROVISIONS:** The invalidity, illegality or unenforceability of any provision of these Terms shall in no way affect the validity and enforceability of the remaining provisions of these Terms.
42. **MODIFICATIONS AND WAIVERS:** Customer may at any time issue updates and/or modifications to the Order and these Terms or other special terms (e.g. specifications, packaging, labeling, shipping instructions, etc.), by posting on Customer's website, whereby such updates and/or modifications shall be binding and enforceable on the parties as of the date of posting. Any other modifications to the Order and these Terms shall be made in writing signed by representatives of both parties. The waiver by either party of any provision of these Terms shall also be in writing. The Customer will notify in writing the Internet page where these Terms and their modifications are located, so it is the Supplier's obligation to periodically review these Terms and their modifications and/or updates.
43. **TAXES AND CONTRIBUTIONS:** The Supplier is responsible for its tax obligations, as well as for the payment of taxes and other contributions caused by virtue of these Terms, in terms of the applicable laws of the matter, so it shall pay all taxes currently or in the future determined on the manufacture, sale, transportation, storage or use of the Products and Services. Customer shall not be considered jointly and severally liable to Supplier with respect to such tax obligations, unless Customer is required to withhold taxes in accordance with applicable laws. Supplier shall separately invoice Customer for any value added tax, sales tax or similar taxes that Supplier is required by law to pay or collect from Customer.
44. **HEADINGS:** The headings used at the beginning of the clauses of these Terms shall be used solely for ease of reference and shall in no way affect their interpretation.
45. **DISPUTES, APPLICABLE LAW AND JURISDICTION:** For any matter related to the interpretation, compliance and execution of these Terms, the parties expressly submit to the laws and jurisdiction of the competent courts of the City of Monterrey, Nuevo León, waiving any other jurisdiction that may correspond to them by reason of their present or future domicile, or for any other reason. The parties expressly waive the application of the United Nations Convention on Contracts for the International Sale of Goods. The parties shall continue to perform their obligations under these Terms for so long as any dispute, claim or legal action is pending. The parties shall have a period of 1 (one) year to formally initiate any claim or legal action against each other arising from any breach of these Terms, failing which the right to initiate such claim or legal action shall be barred.