

**TIMSA
GENERAL TERMS AND CONDITIONS
FOR THE PURCHASE OF GOODS AND PROVISION OF SERVICES**

PART A.

PERFORMANCE IN GENERAL:

1. Assignment.

The rights and obligations established hereunder may not be assigned by Seller, in whole or in part, without Buyer's prior written consent, and no delegation of any obligations owed by Seller shall be made without the prior written consent of Buyer.

2. Changes.

Buyer shall have the right to make changes to the Purchase Order, in whole or in part, at any time after the Purchase Order has been placed with Seller, by written order to Seller, and in such case Buyer's liability to Seller, if any, shall not, in any event, exceed Seller's costs actually incurred, and documented through the date on which Buyer notified Seller of such change. Except as provided in the preceding sentence, Buyer shall have no further liability to Seller, of any nature whatsoever, as a result of Buyer's change of a Purchase Order, including without limitation, any liability for damages or lost profits, whether based on law, contract, or otherwise, and such claims are hereby waived by Seller.

If any such changes to a Purchase Order cause an increase or decrease in the Price, both Buyer or Seller shall have the right to request an equitable adjustment of the Price and to the Delivery Date of the Products subject to change. If the adjustment to which is referred to herein requires Seller to work overtime, Buyer shall pay to Seller an amount equal to Seller's additional and documented labor costs caused by such overtime and previously authorized by Buyer.

All changes requested by Buyer shall be considered approved by Seller unless Seller notifies its objection to perform said changes in writing to Buyer within [forty-eight (48) hours] after Buyer notified Seller of the changes requested. In the event Seller refuses to make the changes requested by Buyer, Buyer shall be authorized, without further notice or liability to Seller, to retain any other person or entity to manufacture and deliver the Goods or provide the Services changed by Buyer.

Buyer's engineering and technical personnel may, from time to time, render assistance or give technical advice or discuss or exchange information with Seller's personnel regarding the Products. Such actions, however, shall not be deemed to be a change under this Section 2 (Changes) and shall not be the basis for any equitable adjustment to the Price or to the Delivery Date or both. Only an authorized representative of

Buyer's purchasing department may request changes to the Purchase Order.

Within seventy two (72) hours from the date of receipt of any written change order from an authorized representative of Buyer, Seller shall submit to Buyer a detailed written estimate of the impact of the change on the Price or to the Delivery Date or both. Upon receipt of this estimate, Buyer shall begin good faith negotiations with Seller to determine an equitable adjustment to the Price or to the Delivery Date or both.

Nothing in this Section 2 (Changes) shall excuse Seller from proceeding with the diligent manufacture and delivery of the Goods or the diligent performance of the Services as modified by Buyer nor Seller shall suspend the execution of the Purchase Order that remains unchanged during the time in which Buyer and Seller are in process of executing the changes requested by Buyer and agree on the adjustment of the Price and Delivery Date, without the prior written consent of Buyer.

Seller shall not (a) make changes to the Goods, the manufacture or the packaging thereof, (b) re-perform the Services, or (c) retain any other person or entity to supply the Goods or perform the Services without the prior written consent of Buyer. Buyer's consent to such subcontracting shall not relieve Seller of its duty to perform its obligations under the Purchase Order, or of any liability Seller may have as a result of its failure to comply with any of the terms of the Purchase Order.

The failure of the parties to agree to any equitable adjustment of the Price and of the Delivery Date shall be disputed according to Section 9 (Disputes) of these Terms and Conditions.

3. Quantity.

Quantity is of the essence. Buyer shall not be required to accept or pay for any shipment of Goods that contains less than the amount of the Goods required to be delivered pursuant to the Purchase Order. Any overages of the Goods within [five percent (5%)] of the Purchase Order quantity shall be accepted by Buyer at no additional cost to Buyer. All other Goods in excess of [five percent (5%)] of the Purchase Order shall be returned to Seller at its cost and expense.

4. Price.

The Price shall be as specified in the Purchase Order. The Price shall include the freight costs for shipment of the Goods, the transportation costs of the personnel of Seller that will perform the Services at Buyer's Location in addition to all applicable taxes, excise, duties and any other charges related to the delivery of the Products to Buyer, all of which shall be itemized by Seller on its invoices. In no event shall Buyer be responsible for any interest, service, cartage or boxing charges. Seller agrees that the Price shall in no event exceed the current market price for similar Products nor shall said Price exceed the maximum price for the Products permitted by any applicable laws and regulations on the date of the Purchase Order.

Seller warrants that the Price determined in accordance with this Section 4 (Price) shall be complete and comprise all costs and expenses in which Seller may incur to manufacture, supply, perform, and deliver the Products to Buyer in accordance with the terms of the Purchase Order, including without limitation all manufacturing, packing, freight, insurance, and handling costs; all administrative and operative costs; all rights, taxes, excises, and duties; all wages, wage increases, dues to the Mexican Institute of Social Security (*Instituto Mexicano del Seguro Social*) and the National Institute of Workers' Housing Fund (*Instituto del Fondo Nacional para la Vivienda de los Trabajadores*), Employee's Retirement Fund (*Fondo de Ahorro para el Retiro*), employment benefits, and fees. Seller further warrants that no additional charges of any kind shall be added or made to the Price once the Products are accepted by Buyer.

5. Delivery and Transportation.

Time is of the essence. Delivery times and other logistical terms shall be specified by Buyer and accepted by Seller in writing. Seller will ensure that the Products and all technical and administrative documents are delivered to Buyer promptly on the Delivery Date. Buyer may modify the Delivery Date upon written notice to Seller, and such modification shall be deemed accepted by Seller unless Seller objects in writing to Buyer within [forty-eight (48) hours] following Seller's receipt of Buyer's written notice of such modification. Seller will inform Buyer of any possible delays in the delivery of the Products at least [forty-eight (48) hours] prior to the specified Delivery Date or within [twelve (12) hours] of any incident that, in the opinion of Seller, will or is expected to result in a variance in the Delivery Date of the Products or in the quantity of the Goods specified in the Purchase Order. Seller shall pack, mail and ship all Goods in an appropriate and suitable manner selected by Seller. Goods will be properly packed to avoid any damages during shipping. Packaging will include outside labeling to facilitate unloading and opening. Labeling of all Goods shipped shall be in accordance with Buyer's guidelines that are available from Buyer upon request. Buyer reserves the right to send its agents into Seller's facility to inspect Goods made to specifications at any stage in the manufacturing process; therefore, Seller shall inform Buyer of the anticipated Delivery Date by written notice to Buyer no less than [three (3) days] prior to the Delivery Date.

The delivery of the Products will not be deemed completed until Buyer has expressly accepted the Products. Seller shall bear all risk of loss and damage associated with the Products until such Products (a) are delivered to Buyer at Buyer's Location; (b) have been inspected by Buyer pursuant to Section 13 (Inspection and Acceptance) below; and (c) have been expressly accepted by Buyer. Seller shall track all shipments of the Goods until such shipments are delivered to Buyer's Location. Seller shall inform Buyer in writing immediately of any occurrence that will or is expected to result in a variance in the Delivery Date of the Products or in the quantity of the Goods specified in the Purchase Order, and also of the corrective measures that Seller is taking to minimize the effect of any such occurrence. Seller shall be responsible for filing and managing any claims with carriers for loss and damages to the Goods or otherwise resulting from

the shipment or delivery of the Goods. Late deliveries will result in a penalty of [one-half percent (0.5%)] of the Price per day with a maximum penalty of [five percent (5%)] of the Price. Buyer may claim compensation for any losses and damages exceeding the foregoing penalty.

6. Confidential Information and Personal Data.

All Confidential Information provided by Buyer to Seller shall be and remain property of Buyer, shall not be duplicated, used or disclosed to third parties except for the purpose and to the extent necessary for the manufacture, supply, performance and delivery of the Products, and upon completion of the Purchase Order, said Confidential Information shall be delivered to Buyer or destroyed by Seller as Buyer specifies (including all copies).

Seller shall take all reasonable precautions to maintain in confidence all such Confidential Information, including the imposition upon any person, firm, or corporation to whom disclosure of such Confidential Information is made in the course of performance of the Purchase Order. Seller shall ensure that Seller's agents who have access to the Confidential Information are made aware of the obligations and restrictions set forth in this Section 6 (Confidential Information and Personal Data) and will be bound to abide by these obligations and restrictions.

The obligations imposed upon Seller herein shall not apply to such information that is already known to Seller, is lawfully obtained or obtainable by Seller from another source, is or comes into the public domain other than as a result of breach of this Section 6 (Confidential Information and Personal Data).

In the event Seller fails to comply with any of its obligations stated herein for the use of Confidential Information, Seller shall be subject to the fines and penalties imposed by Articles 210 and 211 and the provisions of Title Twenty-Six of the Federal Criminal Code (*Código Penal Federal*) in connection with violations to intellectual property rights, and Articles 223, Sections IV, V and VI, 224 and 226 of the Law of Industrial Property (*Ley de Propiedad Industrial*).

Pursuant to the provisions of the Federal Law of Personal Data in Possession of Individuals (*Ley Federal de Protección de Datos en Posesión de Particulares*) and its regulations, Seller herein agrees that Buyer may collect personal data of Seller's legal representative, and Seller's employees performing the Services at Buyer's Location. The personal data collected by Buyer, if applicable, will remain in the possession of Buyer at Buyer's address specified in these Terms and Conditions. Similarly, Seller hereby acknowledges that Buyer may collect the personal data directly from the holder of said information, or indirectly through any other source of information which is commercially available. The information collected by Buyer shall be used exclusively for any matters related with the Products subject matter of the Purchase Order, and will be kept in strict confidence in accordance with the security, administrative, technical, and physical standards that Buyer has implemented for such purposes. The holders of the

personal information collected by Buyer, if applicable, may exercise their rights of access, correction, cancellation, limitation of use, distribution or revocation, against Buyer, as of the date of execution of the Purchase Order, by means of the delivery of a written notice to Buyer, same notice that shall describe the data to which Seller's employees or personnel wishes to exercise any of the rights referred to herein above. Buyer reserves the right to transfer the personal data of Seller's employees or personnel hired by Seller for the provision of the Services, to its affiliates, subsidiaries, home offices, suppliers, clients, or to any third party with which it has a commercial relationship or interest in providing the Services.

Seller herein agrees to comply with the provisions of the Federal Law of Personal Data in Possession of Individuals (*Ley Federal de Protección de Datos en Posesión de Particulares*) and its regulations, and to implement the necessary measures to guaranty the confidentiality and non-disclosure of unauthorized personal data that was collected of Buyer's personnel and/or its representatives; similarly, recognizing that Buyer has established the necessary procedures for the holders of the information that was collected, exercise their rights of access, correction, cancellation, limitation of use, disclosure or revocation as of the date of execution of the Purchase Order by means of a previous written notice submitted at the domicile of the Seller stated in these Terms and Conditions.

7. Acceptance, Integration, and Modification.

Seller shall strictly perform the Purchase Order. Acceptance of the Purchase Order is expressly limited to these Terms and Conditions and shall be made by executing the "acknowledgement copy" of the Purchase Order and returning the same to Buyer. If by any reason Seller should fail to accept the Purchase Order in writing, any performance by Seller of any portion of the Purchase Order shall constitute complete acceptance of the Purchase Order and of these Terms and Conditions. Any terms proposed in the acceptance of the Purchase Order, which add to, vary from, or conflict with these Terms and Conditions, are hereby rejected and shall be void.

The Purchase Order, including these Terms and Conditions and any other documents incorporated by reference herein constitute the entire and final agreement of Buyer and Seller and supersedes all previous communications, representations or agreements, whether oral or written, between Buyer and Seller. No terms other than those set forth herein or in the Purchase Order shall apply. Seller represents that, in entering into the Purchase Order, it does not rely on any previous oral or implied representation, inducement or understanding of any kind.

The Purchase Order, including these Terms and Conditions, may be amended or modified solely by a written instrument executed by authorized representatives of both Buyer and Seller.

8. Definitions.

Unless otherwise specified in the Purchase Order and in these Terms and Conditions, capitalized terms in the Purchase Order shall have the following meaning:

- a) "Buyer" means Tecnologías Internacionales de Manufactura, S.A. de C.V.
- b) "Buyer's Location" means (i) the location specified in the Purchase Order for the delivery of Goods and the performance of Services subject matter of the Purchase Order, or (ii) a facility owned, leased or operated by Buyer to which Seller, its employees, agents, carriers, contractors, subcontractors or suppliers have access to as a result of the Purchase Order.
- c) "Claims" means any suit, demand, claim, cause of action, loss, damages, injury, fine, penalty, obligation to pay money, cost, liability and expense (including reasonable attorneys' fees, other professional fees and other costs and expenses) of any nature.
- d) "Confidential Information" means all information relating to Buyer or its affiliates, the Products, the Intellectual Property, or the design, configuration or contents of any of Buyer's products that have not yet been opened to the general public for business, whether or not identified as confidential, (i) that Buyer or its affiliates have disclosed to Seller prior to Seller's execution of the Purchase Order, (ii) that Buyer or its affiliates may disclose to Seller pursuant to, or in connection with, the Purchase Order, or (iii) to which Seller may have access as a result of Seller's work with Buyer or Seller's performance of the terms of the Purchase Order, in addition to the terms of the Purchase Order.
- e) "Delivery Date" means the dates and times at which the Goods are to be delivered to Buyer, or the Services are to be performed for Buyer, at Buyer's Location.
- f) "FCPA" shall mean the United States Foreign Corrupt Practices Act.
- g) "Goods" means any goods ordered by Buyer to Seller and specified on the Purchase Order.
- h) "Intellectual Property" means any trademarks, service marks, trade names, patents, labeling, packaging, hang-tags, distinctive words, logos, drawings, art work, pictures, colors, formulas, processes, designs, design models or copyrightable works or other proprietary rights, derivations or adaptations thereof, or any marks or works similar thereto.
- i) "Price" means the total price to be paid by Buyer to Seller for the Products and that includes the corresponding Added Value Tax.
- j) "Products" means, collectively, any Goods or Services specified on the Purchase Order.

- k) "Purchase Order" means, collectively and individually, the Purchase Order, these Terms and Conditions, the Specifications, and any other documents incorporated or referenced in or by the Purchase Order.
- l) "Seller" means the individual or entity identified on the face of the Purchase Order who will manufacture, supply, perform and deliver the Products to Buyer pursuant to the Purchase Order.
- m) "Services" means any services ordered by Buyer to Seller and specified on the Purchase Order.
- n) "Specifications" means the technical specifications, plans, data, drawings, diagrams, schedules and any other documents that describe the Products.
- o) "Terms and Conditions" means these terms and conditions.

9. Dispute Resolution.

Any dispute between Buyer and Seller in connection with or arising out of this Contract shall be resolved as follows:

- a) First, the dispute shall be referred to each party's senior executive responsible for the Purchase Order, who shall negotiate a resolution in good faith and each party shall bear its own fees and costs in connection therewith including, but not limited to, attorney fees.
- b) Second, in the absence of a resolution being achieved within thirty (30) days after either Buyer or Seller offers to conduct the negotiations referenced in subparagraph (a) above, the dispute shall be resolved by the parties through arbitration administered by Mexican Center of Arbitration (*Centro de Arbitraje de México*) under its Arbitration Rules. The language of the proceedings shall be Spanish and the seat of the arbitration shall be Mexicali, Baja California, Mexico. Each party must bear its own costs and expenses in connection with the arbitration, including but not limited to attorney fees. The parties agree that judgment on the award rendered by the arbitrator(s) will be conclusive and enforced in any other jurisdiction by suit on the judgment (a certified copy of which will be conclusive evidence of the judgment) or in any other manner provided by law.

Until the final resolution of any dispute hereunder is achieved, Seller shall diligently proceed with the performance of this Purchase Order as directed by Buyer.

10. Export and Import Compliance, Control, and Cooperation.

Seller shall comply with all laws and regulations related to foreign commerce whenever goods of foreign origin are handled. Additionally, Seller shall inform Buyer, in writing, the name and citizenship of each of Seller's employees and subcontractors at any tier

that will participate in the performance of the Purchase Order at Buyer's installations who is not a Mexican citizen and the name and address of every subcontractor that participates in such performance and that is not duly organized according to the General Law of Mercantile Companies (*Ley General de Sociedades Mercantiles*), or with the corresponding State's corporate by-laws and Articles of Incorporation of the United States of America. Seller shall cooperate fully with Buyer in applying for any export or import license or approval which may be required for any such employee or subcontractor and in the justification and documentation of any license or approval subject to exemption. Seller shall not permit any employee or subcontractor to participate in the performance of the Purchase Order over Buyer's objection based on noncompliance with this Section 10 (Export and Import Compliance, Control, and Cooperation).

11. Indemnity.

Seller agrees to defend, indemnify and hold Buyer, Buyer's affiliated companies, and each of their directors, officers, agents and employees, free and harmless from and against any Claim arising out of, related to, or caused by (a) a defect on any of the Products for which Seller bears responsibility and whose cause lies within Seller's sphere of control and organization, (b) the claims of any manufacturer or supplier of Seller or any carrier, contractor or subcontractor utilized by Seller, (c) any worker or employee of Seller or its carrier, contractors, subcontractors or suppliers (in any event Buyer shall not be considered as a substitute employer or co-employer of Seller); (d) any action on behalf of the Mexican Institute of Social Security (*Instituto Mexicano del Seguro Social*), the Institute of the National Workers Housing Fund (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores*) or any other competent authority; (e) Buyer's customers based on products liability under the Federal Consumer Protection Law (*Ley Federal de Protección al Consumidor*) and any other applicable Mexican laws; and (f) the negligent or intentional acts of Seller or of Seller's employees, agents, carriers, contractors, subcontractors and/or suppliers.

Buyer, at its option and expense, may participate in the defense of any Claims. Seller shall not settle any Claim on behalf of Buyer without prior notification to, and approval by Buyer. Buyer's approval of any settlement shall not be deemed a waiver by Buyer of any insurance coverage that may be available to Buyer.

12. Independent Contractor.

Seller herein agrees to be exclusively responsible for all labor and social security obligations derived from its relationship with its employees, such as, in an enunciatively manner and without limitation, payment of salaries, payment of quotas to the Mexican Institute of Social Security (*Instituto Mexicano del Seguro Social*) and to the National Institute of Workers' Housing Fund (*Instituto del Fondo Nacional para la Vivienda de los Trabajadores*) and other benefits; therefore, it is hereby agreed by Seller and Buyer that there shall be no labor relationship or of any other nature, nor any kind of subordination

between Buyer and the employees of Seller, due to the fact that Seller's employees will work and will be subordinated at all times to Seller.

Seller shall be responsible for the timely and accurate fulfillment of the obligations that the applicable laws, including but not limited to the Federal Labor Law (*Ley Federal del Trabajo*), the Social Security Law (*Ley del Seguro Social*), and the National Institute of Workers' Housing Fund Law (*Ley del Instituto del Fondo Nacional para la Vivienda de los Trabajadores*) in its capacity as employer of those employees of Seller performing Seller's obligations under the Purchase Order.

13. Inspection and Acceptance.

The Products, including any documents, materials, equipment and facilities, shall be, at all times, available for inspection and testing by Buyer. Buyer's count of all Goods will be accepted as final and conclusive on all shipments not accompanied by packing lists.

Buyer's inspection or failure to inspect shall not relieve Seller of any obligations or responsibilities under the Purchase Order, nor shall it constitute acceptance of the Products. Payment by Buyer for any Products shall not indicate or constitute Buyer's acceptance of the Products, and neither inspection nor payment shall relieve Seller of its responsibility to furnish conforming Products. Buyer, in addition to all other remedies available to it in accordance with the law that are hereby reserved, shall have the right to reject the Products and cancel the Purchase Order or any part thereof if the Products are defective or nonconforming or if delivery is not made on the specified Delivery Date, or Buyer may instruct Seller as to the means and methods of cure, or may purchase or enter into a contract for the purchase of substitute Products from a third party supplier.

If the Products are defective or nonconforming, Buyer will inform Supplier of the nonconformity in writing, and Seller shall repair, re-perform or replace any nonconforming Products at Seller's expense within ten (10) days of Buyer's written notice of noncompliance. If Seller does not repair, re-perform or replace such nonconforming Products within the referred ten (10) day period, Buyer may repair, re-perform or replace such nonconforming Products at Seller's expense. The cost incurred shall be compensated with the amounts pending payable to Seller. The Products shall be accepted when Buyer determines that such Products conforms to the Purchase Order and such acceptance shall be conclusive of conformance except for latent defects, fraud or gross negligence.

Buyer and Seller hereby waive the terms provided under Article 383 of the Mexican Commercial Code (*Código de Comercio*) and Article 93 of the Federal Consumer Protection Law (*Ley Federal de Protección al Consumidor*) that establishes Buyer's term to inform Seller of nonconformity and hidden defects of the Products.

14. Interpretation.

The Purchase Order shall be governed and construed in accordance with Mexican law.

The United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 shall not apply. The Purchase Order shall be interpreted and enforced in accordance with the laws of Mexico (without regard to any conflict of law rules that might require or allow the application of the laws of another jurisdiction).

If any provision of the Purchase Order results invalid or unenforceable, all other provisions of the Purchase Order shall remain in force and effect. The Purchase Order shall not be varied, supplemented, qualified or interpreted by any prior course of dealing or usage of trade.

Paragraph headings are for convenience only and shall not be used to interpret the Purchase Order.

In the event of any conflict or inconsistency between any provisions of the Purchase Order, the subsequent priority will be followed: these Terms and Conditions, the Specifications and/or any other provisions incorporated to the Purchase Order by reference or by Seller and Buyer's agreement in writing.

15. Invoices and Payment.

Invoices for each Purchase Order must comply with all applicable requirements of Mexican tax laws and be accompanied by the receipt or bill of lading evidencing shipment of the Goods when applicable, in addition to include the following: the purchase order number, the invoice number, description of the Products, dates of completion of the Services, comprehensive and detailed unit prices, prior payments received, and terms and discounts. Unless otherwise provided, any cash discount period shall initiate on the date of receipt of Seller's invoice.

Incomplete and incorrect invoices shall be rejected returned for correction and shall and will not trigger any payment obligation on the part of Buyer delaying the initiation of Buyer's obligation to pay for the Products and any discount period, until a corrected invoice is received by Buyer. Buyer shall only pay Seller regarding the complete, proper and timely performance of the Purchase Order and Buyer shall have the right to withhold payment for any failure of Seller to strictly comply with the Purchase Order. The partial payment of the Price shall not constitute the acceptance of the Products.

Seller shall issue invoices for the Products at the time of and not prior to, shipment, in case of Goods, and upon completion of each service, in case of Services.

Buyer shall pay Seller according to Buyer's internal payment policies.

16. Liens.

Seller waives any and all rights to any lien against Buyer by Seller or by Seller's employees, agents, carriers, contractors, subcontractors and/or suppliers.

Buyer shall have the right to withhold payments until Seller provides, upon request, the corresponding written releases and waivers of all rights to claim or file liens, properly executed by Seller and its subcontractors. Seller's acceptance of full payment of the Price shall constitute satisfaction in full and release of all claims or demands of Seller and its subcontractors against Buyer arising out of or connected with the Purchase Order. If Seller fails or neglects to pay any labor, civil and/or administrative claims, Buyer may, without obligation, pay such claims and deduct such payments from the pending amounts owed to Seller or if such claims are disputed, Buyer may withhold sufficient funds to pay such claims until they are resolved. Seller shall immediately discharge or cause the discharge of any lien or charge of any kind filed against the property of Buyer in connection with the Products. If any such lien or charge is not immediately discharged by Seller, Buyer may discharge or cause to be discharged such lien or charge at the expense of Seller.

17. Non-waiver.

Buyer's waiver or failure to exercise any provision of the Purchase Order shall not affect the subsequent exercise of such provision in a later circumstance nor the waiver of any other provision the Purchase Order.

18. Notices.

Any notice, claim, approval, authorization or communication that any of the parties has or considers necessary or wishes to deliver or make to the other party, in accordance with or related to the Purchaser Order, will only be effective and valid if it is made in writing, signed by the party that delivers said notice, and when delivered in a personal manner or through messenger service (such as by way of explanation and not by limitation UPS, DHL, and FedEx), addressed to the domiciles of the parties that are specified below:

Seller:

As indicated on the cover of the Purchase Order.

Buyer:

Tecnologías Internacionales de Manufactura, S.A. de C.V.
Calle Circulo de la Amistad No. 2752
Parque Industrial PIMSA IV
Mexicali, B.C. 21210
Attention: General Manager.

19. Property of the Products.

All data and materials, plans and specifications prepared or developed by Seller in connection with the Products shall be Buyer's exclusive property and shall be updated

and provided to Buyer upon completion of the Products, upon termination of the Purchase Order or upon Buyer's request.

20. Remedies.

All remedies are cumulative and the exercise of a remedy granted by this Purchase Order, by law or equity shall not preclude the exercise of any other remedy under this Purchase Order or in law or equity.

21. Scope of Performance.

Seller shall supply and provide, at Buyer's Location, all labor, new materials, new equipment, tools, services and supervision, and shall bear all expenses, necessary to fully comply with the Purchase Order, except such items that Buyer, according to the Purchase Order, specifically agrees to supply or furnish to or for the use of Seller. Any labor, materials, equipment, tools, services or supervision not specifically described in the Purchase Order, but which is implied as required thereby or necessary to properly complete the Products, shall be deemed within the scope of the Products and shall be provided by Seller without additional cost.

22. Standard of Performance.

Seller shall manufacture, supply, perform and deliver to Buyer all Products in accordance with the following standards of performance:

- a) With respect to Goods: (i) new and unused and free from defects in materials, workmanship, manufacture, labeling, packaging, shipping and handling; (ii) fit for the particular purposes or uses, if any, either specified by Buyer or otherwise known to Seller; (iii) in conformity with all accepted models and samples and all facts, promises, descriptions or specifications agreed upon by Buyer and Seller; (iv) free of any security interest, lien or other encumbrance of any kind; (v) tested, manufactured, labeled, packaged, shipped, handled and invoiced in compliance with all applicable laws and regulations; (vi) free of infringement or violations of any patent, trademark, trade name right, copyright or trade secret, right of publicity or privacy right or any other proprietary, intellectual property, industrial property, contract or other right held by any third party; and (vii) delivered to Buyer with all proper documents, labels, safety instructions and instruction manuals in Spanish.
- b) With respect to Services: (i) performed by employees, contractors or subcontractors of Seller who possess the required skills, qualifications, and licenses necessary to perform the Services with the same degree of care, skill and diligence as is ordinarily possessed and exercised by a member of the same profession, currently practicing, under similar circumstances; (ii) in compliance with all proposals, descriptions and specifications supplied by Buyer or supplied by Seller and approved in writing by Buyer; (iii) performed in a good and workmanlike manner; (iv) free from defects; and (v) performed in accordance with the applicable Mexican

laws and regulations, and with the highest standards of quality applicable to the execution of the Services in Mexico.

Seller represents and warrants that it has reviewed and is familiar with the FCPA and any similar anti-corruption laws or regulations under the laws of Mexico (including Sections 222 and 222-Bis of the Mexican Federal Criminal Code (*Código Penal Federal*) and similar provisions of the corresponding State Criminal Codes and any revisions or amendments thereto or enactments) and agrees to comply with the provisions of the FCPA and the applicable Mexican laws and regulations as well as similar legislation now or hereafter in force.

Seller shall be responsible to the Buyer for acts and/or omissions of Seller's employees, subcontractors and their agents and employees and any other persons, including engineers and other professionals designated to the performance of the Seller's obligations under the Purchase Order.

If Seller subcontracts any portion of the Purchase Order, Seller shall provide Buyer with the name and address of such subcontractor prior to executing such subcontract. Buyer may decline the usage of such subcontractor based on Buyer's independent evaluation of subcontractor's qualifications.

23. Termination by Default.

Buyer may terminate the Purchase Order, in whole or in part, without any responsibility and without the need of a judicial resolution (*Pacto Comisorio Expreso*), by simply delivering written notice to Seller notifying Seller of such termination in the event that: (a) Seller fails to assure timely performance of its obligations under the Purchase Order; (b) Seller ceases performance prior to completion of the Purchase Order; (c) Seller evidences insolvency or financial inability to perform; and (d) Seller fails to cure a breach of any of Seller's obligations under the Purchase Order within ten (10) days of notice of such breach by Buyer.

In the event that Buyer terminates the Purchase Order, in whole or in part, Buyer may procure, according to Buyer's own terms and manner, Goods and/or Services similar to those specified in the Purchase Order, and Seller shall be liable to Buyer for any excess costs for such similar Goods and/or Services. If the Purchase Order is terminated only in part, Seller shall continue the performance of its obligations under the Purchase Order to the extent not terminated by Buyer.

Upon termination of the Purchase Order, Seller shall immediately cease the manufacture and delivery the Goods or the performance of the Services, and shall immediately provide to Buyer all information, materials and documents prepared or developed by Seller in connection with the Purchase Order. Furthermore, Seller agrees that Seller's obligations established in Sections 6 (Confidential Information and Personal Data) and 19 (Property of the Products) shall survive any termination of the Purchase Order.

24. Third Party Rights.

The Purchase Order is intended solely for the benefit of Buyer and Seller and is not intended for the use or benefit of any other party. Nothing contained in the Purchase Order is intended to make any person or entity that has not executed the Purchase Order a third party beneficiary of any right created by the Purchase Order.

25. Time of Performance.

Seller shall perform the Purchase Order in a diligent manner and in no event later than the Delivery Date specified on the face of the Purchase Order. Time of performance specified in the Purchase Order is of the essence. If at any time it reasonably appears to Buyer that Seller is failing to make progress in the performance of the Purchase Order, such that the manufacture and delivery the Goods or the performance of the Services may not be completed on the Delivery Date in accordance with the Purchase Order, Seller shall, within seven (7) days of a written request by Buyer, assure timely performance and represent to Buyer in writing Seller's new Delivery Date. If the represented new Delivery Date is not reasonable to Buyer, Buyer may terminate the Purchase Order for default in accordance with the provisions of Section 23 (Termination by Default) above. Buyer shall have the right, but not the obligation and without waiver of any other rights and remedies that it may have, to extend the Delivery Date of the Purchase Order. The new Delivery Date approved by Buyer shall be the essence of the Purchase Order and may only be subject to change in accordance to the Purchase Order.

Seller shall not be liable for delays caused by *force majeure* events that are beyond the control and without the fault or negligence of the Seller, including but not limited to, acts of God or the public enemy, fires, earthquakes, floods, epidemics, quarantine restrictions or natural disasters, on condition that Seller notifies Buyer of any such event of *force majeure* within five (5) days as of the date on which any such event of *force majeure* occurs. Seller shall cooperate with Buyer and Seller shall use its best efforts, to recover any such delays caused by any such *force majeure* events. Seller shall assume the monetary exchange rates during the interruption of the performance of the Purchase Order.

26. Warranty.

Seller expressly warrants that all Products shall comply with the standards of performance stated in Section 22 (Standards of Performance) above, and that Seller shall repair, replace or re-perform any nonconforming or defective Products at Seller's sole expense within ten (10) days as of the date on which Buyer delivers a written notice to Seller notifying Seller of such non conforming or defective Product. If Seller has not replaced, repaired or re-performed such nonconforming or defective Products within the ten (10) day period to which is referred to herein or has diligently initiated such repair, replacement or re-performance within such ten (10) day period, Buyer may

repair, replace or re-perform such nonconforming or defective Products through a third party elected at Buyer's sole discretion, at Seller' expense and compensate the incurred costs with the amounts pending for payment to Seller.

The warranties set forth in this Section 26 (Warranty) shall last for a period that is the greater of: (a) the term of the warranty granted by the manufacturer of the Goods and/or the provider of the Services under the Purchase Order; (b) the term provided by the applicable laws; and (c) twelve (12) months commencing as of the date on which the Goods and the Services are delivered or provided to Buyer.

Seller hereby assigns to Buyer all warranties provided by the manufacturers of all Products and their components.

Seller further warrants to Buyer that all applicable Mexican environmental, health, safety, labor, social security, and fiscal laws and regulations will be implemented and complied with for the manufacture, supply, performance and delivery of the Products. No illegal or clandestine workers will be employed. Seller will not condone any form of child labor.

27. Intellectual Property.

Seller shall have no right to use Buyer's or its affiliates' Intellectual Property in any manner without the prior written consent of Buyer. Without limiting the foregoing, Seller agrees not to manufacture, market, distribute, sell or otherwise transfer any Products that bear or use Buyer's Intellectual Property to third persons without first obtaining the written consent of Buyer. Seller shall not make any unlicensed use of, file any application for registration in respect of, or claim any other proprietary right to, any of Buyer's Intellectual Property. All rights to the Products, including without limitation all Intellectual Property rights to the artwork and designs created by Seller or any other person or entity retained or employed by Seller, provided pursuant to the Purchase Order, shall be the exclusive property of Buyer, who shall be entitled to use and license others to use such Products, subject to the provisions of the Purchase Order, and unencumbered by moral rights.

Seller irrevocably transfers and agrees to assign to Buyer, its successors and assigns, the entire right, title and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights in such Intellectual Property, that Seller represents and warrants to Buyer as being created by, and wholly original to, the author or the creator thereof. The transfer of the Intellectual Property rights in and to any copyrights covers the fields of exploitation indicated in Title Third, Chapter I of the Intellectual Property Law (*Ley Federal del Derecho de Autor*) and Title Second, Chapter VI of the Law of Industrial Property (*Ley de Propiedad Industrial*) in addition to the right to permit the exercise of the derivative rights to such copyrightable works in the fields of exploitation indicated above. The transfer of the Intellectual Property corresponding to a Product subject matter of a Purchase Order shall take place on the date of delivery of the respective Product to Buyer. To the extent required by applicable laws, Seller, within

five (5) calendar days of Buyer's request in writing, shall perform any actions required and necessary to formalize the transfer of the Intellectual Property rights referred to herein, including but not limited to, the recordation of said transfer before the corresponding authorities and registration offices. To the extent that such transfer is not permissible under applicable laws, Seller hereby grants to Buyer an exclusive and transferable license to the Intellectual Property of the Products, unlimited in time, territory and scope, and including the right to grant sublicenses.

Buyer shall be entitled to reproduce, revise, distribute, make publicly available, and use and exploit all Intellectual Property in the Products in all other means and manners that are known today or are hereafter developed. Seller shall obtain any assignments of rights in, or licenses to, the Intellectual Property from the authors, creators, or other applicable third parties in favor of Buyer, its successors and assigns. The transfer or grant of rights respectively and exploitation of Intellectual Property of the Products by Buyer shall be deemed compensated and fully remunerated to Seller by the payment of the Price by Buyer. Seller shall incorporate into its agreements with its direct and indirect vendors, subcontractors and suppliers, and shall enforce for its benefit and for the benefit of Buyer, the terms of this Section 27 (Intellectual Property). Any breach of this Section 27 (Intellectual Property) shall constitute a material breach of the Purchase Order, and Supplier shall indemnify Buyer for, and hold Buyer harmless against, all claims resulting from such breach.

28. Electronic Parts.

The following clause applies when Seller is manufacturing Electronic Parts, Goods with Electronic Parts, or providing Services related with Electronic Parts.

- a) Definitions. For purposes of this Section 28 (Electronic Parts) and unless otherwise specified in the Purchase Order and in these Terms and Conditions, the following capitalized terms shall have the following meaning:
 - i) "Authentic" means (1) genuine; (2) purchased from the OEM, OCM or through the Authorized Dealers of the OEM or OCM; and (4) manufactured by, or at the behest and to the standards of, the manufacturer that has lawfully applied its name and trademark for that model/version of the Electronic Part.
 - ii) "Authorized Dealer" means a dealer or distributor that purchases directly from the OEM or OCM and is authorized or franchised by the OEM or OCM to sell or distribute the OEM's/OCM's products.
 - iii) "Counterfeit Electronic Part" means an unlawful or unauthorized reproduction, substitution or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified Electronic Part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used

Electronic Parts represented as new, or the false identification of grade, serial number, lot, number, data code, or performance characteristics. This definition includes end items, components, subcomponents, parts, or assemblies that contain them.

- iv) "Electronic Part" means an integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode) or a circuit assembly, and also includes embedded software or firmware.
- v) "Government" means the United States of America, acting through its authorized representative including, but not limited to, the Department of the Navy or the U.S. Coast Guard.
- vi) "Guaranty Period" means the warranty period, and refers to the period for which Seller guarantees to Buyer, or the customer of Buyer, and their successors and assigns, that the Electronic Parts will conform the Purchase Order, be free from defects in material, workmanship and design, conform to the specifications for the period defined in the Purchase Order after the acceptance of Buyer's products by a customer of Buyer, plus any additional time as required by the Purchase Order and as defined in these Terms and Conditions for the applicable program in the "Guaranty Period" Clause.
- vii) "Non-Franchised Source" means any source that is not authorized by the OEM or OCM to sell its product lines. Non-Franchised Sources may also be referred to as brokers or independent distributors.
- viii) "Obsolete Electronic Part" means any Electronic Part that is no longer in production by the OCM or OEM or an aftermarket manufacturer that has been provided express written authorization from the current design activity or OCM or OEM.
- ix) "OCM or OEM" means an organization that designs and/or engineers a part or equipment and is pursuing or has obtained the intellectual property rights to that part or equipment.
- x) "Suspect Counterfeit Electronic Part" means an Electronic Part is no longer in production by the OCM or OEM or aftermarket manufacturer that has been provided express written authorization from the current design activity or OCM or OEM. A Suspect Counterfeit Electronic Part also includes any Electronic Parts that Buyer becomes aware, or has reason to suspect, through credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Electronic Part is Authentic. If any individual part from a lot is determined to be counterfeit or suspect counterfeit, the entire lot of parts will be considered to be suspect counterfeit.

- xi) “Procurement Representative” means the person authorized by Buyer to negotiate, approve, enter into and deliver Purchase Orders, subcontracts and other engagements, and change orders thereto. Procurement Representatives do not include any production, deck plate supervisors, engineering or technical personnel.

- b) Terms and Conditions applicable to the manufacturing of Electronic Parts, Goods with Electronic Parts, and to the provision of any Services related with Electronic Parts.

Seller represents and warrants that only new and Authentic materials are used in the Products delivered to Buyer and that the Products delivered contains no Counterfeit Electronic Parts. No material, part, or component other than a new and Authentic part is to be used unless approved in advance in writing by the Procurement Representative. To further mitigate the possibility of the inadvertent use of Counterfeit Electronic Parts, Seller shall only purchase Authentic parts/components directly from the OEMs, OCMs or through Authorized Dealers of the OEM/OCM. Seller represents and warrants that all parts/components delivered under the Purchase Order are traceable back to the OEM/OCM. Seller must maintain and make available to Buyer, at Buyer’s request, OEM/OCM documentation that authenticates traceability of the parts/components to the applicable OEM/OCM. Purchase of parts/components from Non-Franchised Sources is not authorized unless first approved in writing by Buyer. Seller must present complete and compelling support for its request and include in its request all actions to ensure the parts/components thus procured are legitimate parts. The Procurement Representative’s approval of Seller’s request(s) does not relieve Seller’s responsibility to comply with all Purchase Order requirements, including the representations and warranties in this paragraph.

Seller shall maintain a documented system (policy, procedure, or other documented approach) that provides for prior notification and the Procurement Representative’s approval before parts/components are procured from sources other than OEMs/OCMs or the OEM’s/OCM’s Authorized Dealers. Seller shall provide copies of such documentation for its system for Buyer’s inspection upon Buyer’s request.

Seller must maintain an acceptable Counterfeit Electronic Part detection and avoidance system that complies with DFARS 252.246-7007 (Contractor Counterfeit Electronic Part Detection and Avoidance System) and SAE standard AS5553 (Counterfeit Electronic Parts, Avoidance, Detection, Mitigation, and Disposition) standards.

If it is determined that Counterfeit Electronic Parts or Suspect Counterfeit Electronic Parts were delivered to Buyer by Seller, the Suspect Counterfeit Electronic Parts will not be returned to Seller or the supplier. Buyer reserves the right to quarantine any and all Suspect Counterfeit Electronic Parts it receives and to notify any relevant

local, state or federal authorities of Mexico and of the United States of America, including but not limited to the Government Industry Data Exchange Program (“GIDEP”). Seller shall promptly reimburse Buyer for the full cost of the Suspect Counterfeit Electronic Parts and Seller assumes responsibility and liability for all costs associated with the delivery of Suspect Counterfeit Electronic Parts, including, but not limited to, costs for identification, testing, and any corrective action required to remove and replace the Suspect Counterfeit Electronic Parts. The remedies in this Section 28 (Electronic Parts) shall apply regardless of whether the warranty period or Guaranty Period has ended, and are in addition to any remedies available at law or in equity.

If the procurement of materials under this Purchase Order is pursuant to, or in support of, a contract, subcontract, or task order for delivery of goods or services to the Government, the making of a materially false, fictitious, or fraudulent statement, representation or claim or the falsification or concealment of a material fact in connection with this Purchase Order may be punishable, as a federal felony, by up to twelve (12) years’ imprisonment and/or substantial monetary fines.

Seller shall flow the requirements of this Section 28 (Electronic Parts) to its suppliers at any tier who render performance or supplies to be used in support of this Purchase Order, even if Seller itself or its suppliers are (i) exempt from cost accounting standards; (ii) are a small business; or (iii) offer commercial items for Electronic Parts or assemblies containing Electronic Parts.

Seller agrees to provide records, including traceability records, to Buyer to substantiate Seller’s compliance upon Buyer’s request. Seller agrees to cooperate in good faith in the event Buyer or Buyer’s customers have a need to audit Seller’s compliance.

Seller agrees to maintain all necessary records related to Seller’s compliance with this Section 28 (Electronic Parts) for a minimum of ten (10) years after the Products have been delivered or provided to Buyer.

PART B.

PERFORMANCE AT BUYER’S INSTALLATIONS:

In the event that Seller, its employees, agents, carriers, contractors, subcontractors or suppliers enters at any time to any of Buyer's Location for the performance of the Purchase Order (including, but not limited to, for the delivery of the Products and the performance of any re-work or guarantee work), Seller shall comply, and shall be responsible for the compliance of its employees, agents, carriers, contractors, subcontractors or suppliers, with the following terms and conditions:

1. Clean up of Work Site.

At all times during the performance of this Purchase Order and upon completion of the Purchase Order or the earlier termination thereof, Seller shall, at its own cost and expense, keep the area of Buyer's Location on which Seller performs any Services or delivers and installs, removes, load, or unload any Goods (the "Work Site") free from any accumulation of waste, and shall clean the Work Site and remove from Buyer's Location and properly dispose of all debris, garbage and other waste material, including excess materials, scrap and equipment used or generated in the performance of the Purchase Order. Upon completion of the Purchase Order, Seller shall immediately remove all waste materials from and about Buyer's Location, as well as Seller's tools, equipment, machinery, parts, machinery, equipment, materials, spares, and surplus materials, and leave the Work Site in a clean condition.

In the event Seller does not remove all waste materials and Seller's tools, equipment, machinery, parts, machinery, equipment, materials, spares, and surplus materials, from Buyer's Location and leave the Work Site in a clean condition in accordance with the provisions of this Section 1 (Clean up of Work Site), Buyer may but shall not be obligated to, carry out said removal or cleaning activities directly or through a third party hired by Buyer and the costs of said removal and cleaning activities shall be paid by Seller.

2. Environmental.

Seller shall comply with Buyer's environmental policies and procedures and with all federal, state and local laws and regulations regarding the use and disposition of hazardous substances.

Additionally, Seller shall not, nor shall it permit its employees, agents, carriers, contractors, subcontractors or suppliers to bring any pollutants, contaminants and chemicals and any other carcinogenic, ignitable, corrosive, reactive, toxic or otherwise hazardous substances (and materials and substances containing or contained by the foregoing) subject to regulation, control or remediation under applicable environmental laws (collectively, the "Hazardous Materials") on Buyer's Location without the prior notification to and consent from Buyer in its sole discretion. Seller shall bear all costs and expenses and shall be solely liable for any response, removal, investigation, clean-up or other remedial action required by any applicable laws related to any Hazardous Materials introduced by, or released by or pre-existing and exacerbated by Seller its employees, agents, carriers, contractors, subcontractors or suppliers acting on Buyer's Location.

3. Insurance.

Without prejudice to Buyer's rights and Seller's obligations under Section 11 (Indemnity), Seller shall keep and maintain in effect at its sole cost and expense the following policies of insurance:

a) Civil Liability Insurance (*Seguro de Responsabilidad Civil por Actividades e*

Inmuebles) written on an occurrence, not claims-made, basis, covering personal (bodily) injury, property damage, products liability, completed operations liability, employer's liability, premises and operations liability (including explosion, collapse, and underground hazard), contractual liability, loading and unloading operations liability, independent contractors liability, cross liability, and propping operations liability, and including severability of interests provisions, with limits not less than the local currency equivalent of US\$1,000,000 per occurrence. Such insurance must include Buyer, its subsidiaries and affiliates, and their respective officers, directors, shareholders, employees and agents, and any other party which Buyer may reasonably designate (including, without limitation, any landlord or lender of any site where any of the Services are to be performed) as additional insureds for liabilities based on the operations of Seller its employees, agents, carriers, contractors, subcontractors or suppliers while manufacturing, supplying, performing and/or delivering any Products to Buyer.

- b) Automobile (Motor Vehicle) Liability Insurance (*Seguro de Responsabilidad de Automóvil, Vehículo Motor*) covering all owned, non-owned, hired and permissive use vehicles used by Seller while manufacturing, supplying, performing and/or delivering any Products to Buyer, with statutory limits or a single and combined limit of not less than the local currency equivalent of US\$1,000,000 for liability and defense, or such higher limits as required by the applicable laws. Such insurance shall also include passenger liability coverage.
- c) Professional Civil Liability Insurance (*Seguro de Responsabilidad Civil Profesional*) with limits of not less than the local currency equivalent of US\$1,000,000 per claim, if required by Buyer on the Purchase Order. The retroactive date applicable to such coverage, if required, shall precede the date Seller first began the performance of any Services under the Purchase Order.
- d) Except in the event that Seller: (i) at its cost and expense, obtains comparable insurance acceptable to Buyer, or (ii) obtains an express waiver issued by Buyer, Seller shall, or shall cause any carrier engaged by Seller to obtain and maintain a Cargo Transportation Insurance Policy (*Seguro de Transporte de Carga*) to insure all shipments of Goods "FOB - Buyer's Location", with coverage against Ordinary Transit Risks and Additional Risks (*Riesgos Ordinarios de Tránsito y Riesgos Adicionales*) in addition to any other coverage that is reasonable under the circumstances and acceptable to Buyer for an insured amount that shall be not less than the full market value of the Goods.

Each insurance policy stated in this Section 3 (Insurance) shall (a) be underwritten by an insurance company satisfactory to Buyer; (b) establish that it is the primary insurance and does not participate with any other insurance carrier hired by Buyer; and (c) obligate insurer to give Buyer no less than thirty (30) days prior written notice in the event of policy cancellation or any material change therein. Certificates evidencing such policies, in a form satisfactory to Buyer, shall be delivered to Buyer upon issuance of the Purchase Order, and renewals thereof shall be sent to Buyer at least ten (10) days

prior to the expiration of the respective policy terms.

The policies referred to above in subparagraphs a) and b) shall be endorsed to name Buyer as an “additional insured”, and the certificates provided to Buyer shall reflect such endorsement. The policies referred to above in subparagraph c) shall contain a waiver of subrogation in favor of Buyer.

Notices regarding insurance policies shall be provided in writing to Buyer’s address stated in these Terms and Conditions and will be deemed delivered five (5) days after deposit in the Mexican Mail, postage prepaid, certified mail and return receipt requested, when addressed to *Tecnologías Internacionales de Manufactura, S.A. de C.V.*, Attention: Risks Manager: _____.

The insurance coverage limits stated above are minimum insurance coverage requirements and do not limit Seller’s liability. Notwithstanding the above-required insurance policies, Seller shall be obligated for the full and total amount of any damage, injury, expense or loss.

4. Safety.

Seller shall be solely responsible for the safe conduct of all persons employed by Seller and its subcontractors. Seller shall comply with all applicable federal, state and local health, safety and fire protection laws and regulations. Seller shall also comply with Buyer’s safety policies and procedures. Any failure by Seller or any of its suppliers to comply with any such safety policies, procedures, laws or regulations shall constitute a material breach of the Purchase Order. Under no circumstance shall compliance with Buyer’s safety policies and procedures alone be considered complete satisfaction of the requirements of this subparagraph.

Seller shall complete the following prior to commencement of performance of the Services at Buyer’s Location:

- a) Provide Buyer with the name, telephone number and title or position of the person who has the authority to correct any safety violations by Seller during the performance of the Services (“Seller’s Safety Representative”).
- b) Seller’s Safety Representative, together with equivalent representatives of Seller’s subcontractors who are expected to perform at Buyer’s Location, shall meet with Buyer’s Safety Manager or designee to review applicable safety policies and procedures.
- c) Provide Buyer with a copy of Seller’s written safety policies and procedures.
- d) Provide Buyer with a copy of all Material Data Safety Sheets (“MSDS”) for all chemical compounds that Seller anticipates using in performing this Purchase Order at Buyer’s facilities.

- e) Cause each of Seller's and Seller's subcontractor's employees who will be in Buyer's Location to complete a "Personal Protective Equipment" statement acknowledging their safety responsibilities.

Seller shall immediately notify Buyer, in writing, upon receiving notice of any inspection from either the Secretary of Labor and Social Welfare of Mexico (*Secretaría de Trabajo y Previsión Social Federal*) or the Secretary of Labor and Social Welfare of Baja California (*Secretaría de Trabajo y Previsión Social Estatal*), at Buyer's Location. In the event of such inspection, Seller shall permit Buyer's personnel to be present at any inspection visit, and Seller shall provide Buyer a copy of all correspondence and citations regarding such inspection, received from the authorities inspecting such facilities.

If, at Buyer's sole option, Seller fails to comply with this Section 4 (Safety), Buyer may without prejudice to any other legal or contractual rights of Buyer, issue an order suspending all or part of the Purchase Order, until such performance is regularized according to this Section 4 (Safety). Seller shall have no right to request a time extension or compensation or damages regarding such interruption to the Purchase Order.

Seller shall remove from Buyer's Location any of Seller's or Seller's subcontractor's employees immediately upon Buyer's request (in Buyer's sole opinion) based upon violation of Buyer's safety policies or procedures or violation of applicable federal, state or local laws or regulations.

5. Security.

Seller, its employees, agents, carriers, contractors, subcontractors or suppliers shall comply at all times with Buyer's policies and procedures regarding personnel administration, vehicle operations and general security practices. Willful or negligent noncompliance by Seller or its employees, agents, carriers, contractors, subcontractors or suppliers with any such security policies or procedures shall constitute a material breach of the Purchase Order. Seller hereby recognizes having received a copy of Buyer's security regulations and has read and agreed with such regulations.

6. Treatment at Buyer's Medical Facilities.

Buyer shall have no obligation to provide medical treatment to Seller or its employees, agents, carriers, contractors, subcontractors or suppliers while such employees, agents, carriers, contractors, subcontractors or suppliers are working in Buyer's Location. In the event that Buyer's medical department provides medical treatment to any such employees, agents, carriers, contractors, subcontractors or suppliers, Seller shall defend, protect and indemnify and hold Buyer's harmless, its affiliates, directors, officers and employees, from and against any and all claims, demands or causes of action by the employees, agents, carriers, contractors, subcontractors or suppliers of Seller,

regarding costs or damages (including, without limitation, attorney's fees) in connection with the medical treatment provided by Buyer, including claims based upon the negligence of Buyer, and excluding solely the claims based upon Buyer's sole negligence or willful misconduct.

7. Use of Buyer's Equipment.

Seller shall not use, or permit any of its employees, agents, carriers, contractors, subcontractors or suppliers or third parties acting on behalf of Seller to use, any of Buyer's equipment, tools, devices, apparatus or property ("Buyer's Equipment") without Buyer's express and written consent. If Buyer agrees, Seller shall ensure that only qualified, properly trained personnel use Buyer's Equipment and that such personnel comply with the applicable procedures, rules and regulations according to Buyer, as well as federal, state and local laws and regulations. If Buyer agrees, Buyer's Equipment is provided "as-is" without warranty, express or implied, as to its merchantability, fitness for any particular purpose, current condition, or prior maintenance history. Seller is responsible for all risks of loss of or damage of Buyer's Equipment used by Seller.