

Industria de Asiento Superior (a Tachi-s' Company) Terms and Conditions of Purchase

These Terms and Conditions of Purchase are applicable to all and each "Production Purchase order" (hereinafter called Order) issued by Industria de Asiento Superior S.A. de C.V. (hereinafter called Buyer) to any Company specified as Supplier on that "Purchase order" (hereinafter called Seller)

1. **Offer; Acceptance** Each purchase order ("Order") is an offer to Seller by Buyer for the purchase of goods and services ("Supplies"). This Order does not constitute an acceptance of any offer or proposal made by Seller and when accepted supersedes all prior agreements, orders, quotations, proposals, and other communications regarding the Supplies covered by the Order, except that a signed prior agreement (such as an award letter, statement of work or non-disclosure agreement) will continue to apply to the extent not directly in conflict with the Order. Any reference in this Order to any offer or proposal made by Seller is solely to incorporate the description or specifications of Supplies in the prior offer or proposal, but only to the extent that the description or specifications do not conflict with the description and specifications in this Order. Seller's written acceptance, Seller's commencement of any work under this Order or any other conduct by Seller that recognizes the existence of a contract with respect to the subject matter of this Order constitutes Seller's acceptance of this Order and these terms and conditions only. **This order is limited to and conditional upon Seller's acceptance of these Terms exclusively.** Any additional or different terms and conditions proposed by Seller, whether in Seller's proposal form, acknowledgement form, invoice or otherwise, are unacceptable to Buyer, are expressly rejected by Buyer, shall not become part of this Order, but shall not operate as a rejection of this Order if Seller accepts Buyer's offer by commencement of work, shipment of the Supplies, or by other means acceptable to Buyer, in which case this Order shall be deemed accepted by Seller without any additional or different terms or variations whatsoever. THE TERMS OF THIS AGREEMENT ARE EXCLUSIVE and can only be modified by addendums or notes on the Order specific for specific sellers. This Order can be modified only in the manner described in Section 38. These Terms will be posted on the Buyer's web site so that Seller can review the last applicable version.

2. **Time Period of Order.** Subject to Buyer's termination rights, the agreement formed by the Order is binding on the parties for one year from the date the Order is transmitted to Seller or, if an expiration date or time period is stated in the Order, until that date or the expiration of that time period. Subject to Buyer's termination rights, the Order will automatically renew for successive one-year periods after the initial term unless Seller provides written notice at least 90 days prior to the end of the current term of its desire that the Order not be renewed.

3. **Invoicing; Pricing; Taxes** The price of Supplies includes storage, handling, packaging, freight, insurance, transportation, and all other expenses, costs, and charges of Seller, unless Buyer agrees otherwise in writing in Blanket Order. All invoices under this Order must reference the purchase order number, amendment or release number, Buyer's part number, Seller's part number where applicable, quantity of pieces in the shipment, number of cartons or containers in the shipment, Seller's name and number, bill of lading number and other information required by Buyer. All correspondence must include the purchase order number. If requested by Buyer, all invoices under this Order must be accompanied by the Seller's sworn statement indicating the status of payments to Seller's subcontractors and suppliers as of the date of invoice, and, if requested by Buyer, all invoices must be accompanied by lien waivers, in form satisfactory to Buyer, executed by Seller and Seller's subcontractors and suppliers. Buyer may return incorrect invoices or related documents. [Failure to comply with any of the above obligations will generate a penalty of \\$ 35.00 USD, which, if not covered by the seller at least 15 days after the date on which such payment is required, buyer can generate a debit note for such amount that will be deducted from the pending payments in favor of the Seller.](#) Payment will be made against correct invoices and documentation on the payment terms

specified in this Order. The total price includes all freight, duties, and taxes, except for any value added tax (VAT) imposed by a non-Mexican jurisdiction, which must be shown separately on Seller's invoice for each shipment, and Buyer shall not be liable for any business activity taxes or taxes on or measured by net income. Seller shall be responsible for all federal state, and local taxes levied or assessed with respect to the manufacture, transportation, and sale of the Supplies. As owner of the tooling, Buyer is entitled to all federal and state income and franchise tax credits applicable to such tooling investment. Seller shall indemnify and hold Buyer harmless for Seller's failure to pay any wages, benefits, taxes or other compensation or amounts owed by Seller on account of the Supplies. Seller represents and warrants that the prices will be no less favorable than those which Seller presently, or in the future, offers to any other Customer (as defined in Section 19) for the same or similar goods or services for similar quantities. If Seller offers a lower price for the same or similar goods or services to any other Customer during the term of this Order, then Seller will immediately offer Buyer the same price as offered to the other Customer.

4. **Quantities: Delivery** Quantities listed in this Order as estimated are Buyer's best estimate of the quantities of Supplies it might purchase from Seller for the contract term specified in this Order. If no quantity is stated or if the quantity is stated as zero: (a) Seller is obligated to supply Buyer's stated requirements for the Supplies in quantities as specified by Buyer in material authorization releases, manifests, broadcasts or similar releases ("Material Authorization Releases"); (b) unless expressly stated on the face of this Order, Buyer is not required to purchase Supplies exclusively from Seller; and (c) Buyer is required to purchase no less than one piece or unit of each of the Supplies that are goods and no more than those quantities identified as firm orders in Material Authorization Releases transmitted by Buyer to Seller or, for services, to the extent expressly stated as a firm order in a statement of work signed by Buyer; Forecasts are settled only with information purposes to help Seller to obtain raw materials and to schedule its production properly. Goods' Lead Time should be stated in writing in Blanket Order and Buyer should consider this time in all its requirements. Buyer may purchase additional or lower quantities of the listed Supplies at the prices set forth in this Order pursuant to Material Authorization Releases. These changes cannot exceed a $\pm 20\%$ (Twenty percent) variation (or as stated on the blanket order or specific addendum to these terms) from original firm requirement without cost for Buyer unless established Lead Time cannot be reached. Delivery of Supplies shall be as stated on the front page of this order and according to the trade terms (Incoterms) specified there. The risk of loss passes from Seller to Buyer upon delivery to Buyer's designated facility, unless otherwise agreed to in writing by Buyer. Time and quantities are of the essence under this Order. Seller agrees to 100% on-time delivery of the quantities and at the times specified by Buyer, as set forth in this Order and related Material Authorization Releases. Failure to meet agreed delivery and quantities shall be considered a breach of this Order, and Seller shall pay to Buyer any damages or expenses imposed upon or incurred by Buyer. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which entitles Seller to modify the price for Supplies covered by this Order. Buyer is not obligated to accept early deliveries, late deliveries, partial deliveries, or excess deliveries. Incoterms 2020 will apply to all shipments except those entirely within Mexico.

5. **Premium Freight: Related Costs** (a) Seller pays all premium freight costs over normal freight costs if Seller needs to use an expedited shipping method to meet agreed upon delivery dates due to its own acts or omissions. Seller pays any costs incurred by Buyer, including costs charged by Buyer's Customer(s) to Buyer, because of Seller's failure to comply with shipping or delivery requirements. (b) Buyer is not liable for premium freight costs, unless specifically agreed to in advance, in writing, by Buyer.

6. **Packaging; Marking; Shipping; Disclosure; Special Warnings or Instructions** (a) Seller agrees to: (i) properly pack, mark and ship Supplies in accordance with the requirements of Buyer, the involved carriers and the country of destination, (ii) route the shipments in accordance with Buyer's instructions, (iii) label

or tag each package according to Buyer's instructions, (iv) provide papers with each shipment showing the purchase order number, amendment or release number, Buyer's part number, Seller's part number (where applicable), number of pieces in the shipment, number of containers in the shipment, Seller's name and number, and the bill of lading number, and (v) promptly forward the original bill of lading or other shipment receipt for each shipment in accordance with Buyer's instructions and carrier requirements. (b) If requested by Buyer, Seller will promptly provide Buyer with the following information in the form requested: (i) a list of all ingredients and materials in Supplies, (ii) the amount of all ingredients, and (iii) information concerning any changes in or additions to the ingredients. (c) Before and at the time the Supplies are shipped, Seller will give Buyer sufficient warning in writing (including appropriate labels on all Supplies, containers and packing, together with disposal and recycling instructions, material safety data sheets and certificates of analysis) of any hazardous material that is an ingredient or part of the Supplies, together with any special handling instructions that are needed to advise carriers, Buyer and their employees how to take measures to prevent bodily injury or property damage while handling, transporting, processing, using or disposing of the Supplies, containers and packing. Seller agrees to comply with all federal, state, provincial and local laws and regulations pertaining to product and warning labels, including without limitation the Mexican Official Norms for Transport, identification, directives and handling of hazardous substances or residual materials, the U.S. Toxic Substances Control Act and European Union Directive 2000/53/EC. (d) Seller will reimburse Buyer for any expenses incurred because of improper packing, marking, routing or shipping. (e) In no event will shipping documents attached to or contained in the shipment display pricing information or any of Buyer's proprietary information. (f) In the event that no packing requirements are provided by Buyer, Seller will pack the Supplies in accordance with the applicable AIAG packing requirement.

7. Inspection; Non-Conforming Goods/Services; Audit (a) Buyer may enter Seller's facility to inspect the facility, Supplies, materials, raw material, products, process, and any of Buyer's property covered by this Order. (b) Buyer's inspection of Supplies, whether during manufacture, prior to delivery or within a reasonable time after delivery, does not constitute acceptance of any work-in-process or finished goods. Buyer's acceptance, inspection, or failure to inspect does not relieve Seller of any of its responsibilities or warranties. Nothing in this Order releases Seller from the obligation of testing, inspection, and quality control. (c) If defective Supplies are shipped to and rejected by Buyer, the quantities under this Order must be completed by Buyer unless Buyer otherwise notifies Seller. Seller will replace missing quantities without a new order from Buyer upon notification, replacing all rejected goods at Seller's cost. Seller will supply the missing or rejected parts even without issuing a new order from the Buyer as soon as the supply is required by the Buyer, all these expenses will be paid by Seller. The Buyer will generate a written document to the Seller to notify the missing or rejected parts so that the payment can be made according to the applicable clauses and the current version of the Supplier Quality Manual. (d) In addition to other remedies available to Buyer, such as the generation of a Debit Note for the cost of the NG material and for all expenses incurred derived from the defective or rejected product, an amount that will be deducted from the next payment in favor of the seller, or, in the event that the Buyer and Seller will come to have the quality of Debtors and Creditors reciprocally in the commercial relationship, the Buyer may compensate both the amounts related to defective or rejected products as well as those debts that the Seller has with the Buyer. (i) Seller agrees to authorize return defective / rejected as long as this is not a product already manufactured by the Buyer in accordance with what is described in the Supplier Quality Manual and the Seller's cost at the total invoice price, in no more than one (1) working day from of the notification by the Buyer and send the defective Products again and / or correct if required by the Buyer, and / or (ii) Buyer may have corrected at any time prior to shipment from Buyer's plant Supplies that fail to meet the requirements of this Order, and (iii) Seller will reimburse Buyer for all reasonable expenses that result from any rejection or correction of defective Supplies. (e) Seller will develop and document corrective actions within a commercially reasonable period according with the current version of the Supplier Quality Manual after receipt of a defective sample and will take whatever measures necessary to correct the defect. (f) Payment for nonconforming Supplies is not an acceptance, does not limit or impair Buyer's right to assert any legal or equitable remedy, and does not

relieve Seller's responsibility for latent defects. (g) Upon reasonable notice to Seller, either Buyer or Buyer's Customer may conduct a routine audit at Seller's production facility for the purpose of quality, cost, or delivery verification. (h) Seller will retain all documents, data and other records pertaining to the Supplies for a [period according with the current version of the Supplier Quality Manual](#) following the later of the last delivery of the Supplies; the date of the final payment to Seller under the Order; or the expiration of any applicable warranty periods for the Supplies or of any applicable governmental or industry required retention periods. (i) Seller will permit Buyer to review Seller's books and records concerning compliance with this Order and Seller's overall financial condition. Seller agrees that if Seller experiences any delivery or operational problems, Buyer may, but is not required to, designate a representative to be present in Seller's applicable facility to observe Seller's operations. Seller agrees that if Buyer provides to Seller any accommodations (financial or other) that are necessary for Seller to fulfill its obligations under this Order, Seller will reimburse Buyer for all costs, including attorneys' and other professionals' fees, incurred by Buyer in connection with such accommodation and will grant access to Buyer to use Seller's premises and machinery, equipment, and other property necessary to produce the Supplies covered by this Order.

8. **Consigned parts** Buyer may supply consigned parts, materials, or components with or without cost to Seller as agreed by both parties. These components or materials must be clearly identified as Buyer's property. Seller can use these materials only for established purposes and must not transfer property to a third party. Consigned parts will maintain its character of Buyer's property even if they are sold or transferred to a third party.

Seller will have sole and complete responsibility upon consigned materials once they have been delivered by Buyer. In case of theft, damage, or any other kind of sinister, Seller agrees to cover material costs, as well as any other expense originated by material replacement, as premium freights, duties, labor, line shutdowns and possible affectation to final customer requirements.

Seller will notify monthly to buyer the balance of consigned parts if they are supplied at no cost by the buyer. The work loss allowance is 0.5% of the total of parts consigned by the buyer. In case the difference reported by the seller and confirmed by the buyer is higher than that percentage. The seller will have to pay the buyer the total cost of the missing material including freight, packaging, taxes, duties, overhead, etc that could be part of the total cost of the missing parts.

9. **Payment** (a) Payment shall be made according to Buyer's payment schedule as set forth in Blanket Order (or any related document(s) made part of this Order). (b) If not otherwise specified, Buyer's payment will be made on day 30 of following month to month of delivery (_30 prox. _). (c) Buyer may withhold payment pending receipt of evidence, in the form and detail requested by Buyer, of the absence of any liens, encumbrances or claims on Supplies provided under this Order. (d) [Buyer may generate a debit note or, offset debts in the cases referred to in points 3 and 7 of these terms and conditions.](#) (e) Payment will be made in the currency defined on this Purchase Order unless otherwise agreed by the parties in writing.

10. **Changes** (a) Buyer reserves the right to direct changes, or to cause Seller to make changes, to drawings, specifications, samples, or descriptions of Supplies. Buyer also reserves the right to otherwise change the scope of the work covered by this Order, including work with respect to such matters as inspection, testing or quality control. Buyer may also direct the supply of raw materials from itself or from third parties. Seller agrees to promptly make any requested changes. Seller agrees to notify Buyer within five (5) days after receiving notice of a change if Seller expects that the change results in a difference in price or time for performance. Buyer can request additional documentation from Seller of the need for a different price or time for performance. After receiving all requested documentation, Buyer may, at its sole discretion, equitably adjust the price or time for performance. If Seller does not provide timely notice to Buyer that a requested change may result in a difference in price or time for performance, the parties agree that the Buyer's requested change did not affect the price or time for

performance. (b) Seller will not make any change in the Supplies' design, specifications, materials, processing, packing, marking, shipping, or date or place of delivery except at Buyer's written instruction or with Buyer's written approval.

11. Warranties (a) Seller expressly warrants and guarantees to Buyer, to Buyer's successors, assigns and Customers, and to users of Buyer's products, that all Supplies delivered to Buyer and any special tools, dies, jigs, fixtures, patterns, machinery and equipment, that are obtained at Buyer's expense for the performance of this Order and/or are or become the property of Buyer (including the Buyer's Property as defined in Section 24) will: (i) conform to the specifications, standards, drawings, samples, descriptions and revisions as furnished to or by Buyer, (ii) conform to all applicable laws, orders, regulations or standards in countries where Supplies or vehicles or other products incorporating Supplies are to be sold, including without limitation the National Traffic and Motor Vehicle Safety Act, the federal motor vehicle safety standards and the European Union Directive 2000/53/EC, (iii) be merchantable and free of defects in design (to the extent the design is furnished by Seller or any of its subcontractors or suppliers, even if the design has been approved by Buyer), materials and workmanship, and (iv) be selected, designed (to the extent the design is furnished by Seller or any of its subcontractors or suppliers, even if the design has been approved by Buyer), manufactured or assembled by Seller based upon Buyer's intended use and be fit and sufficient for the purposes intended by Buyer, and (v) be free of all liens, claims and encumbrances whatsoever. Seller further expressly warrants that, unless otherwise expressly stated in this Order, the Supplies are manufactured entirely with new materials and none of the Supplies is, in whole or any part, governmental or commercial surplus or used, remanufactured, reconditioned or of such age or condition to impair its fitness, usefulness or safety. The foregoing warranties are in addition to those available to Buyer by law. (b) The warranty period provided by applicable law applies, except that if Buyer or Buyer's Customer offers a longer warranty to Customers for Supplies installed on or as part of vehicles, the longer period will apply. (c) If Buyer intends to bring a claim against Seller for breach of warranty under this Order [including Buyer's customers as well as final product users of Buyer's Products](#), Buyer will provide Seller with a written claim indicating: (i) the existence and nature of the breach of warranty, and (ii) the amount of the actual or anticipated warranty loss. For all Supplies, Seller further warrants that its work will be performed in a professional and workmanlike manner, consistent with all standards and specifications agreed on with Buyer and otherwise consistent with industry standards. Buyer's approval of any design, drawing, material, process, or specifications will not relieve Seller of these warranties. (d) Regarding tooling and dies, the Seller will warrant the quality, performance, integrity and functionality of all production or prototype tools and dies included in the order while in production stage and during service parts period after production ends (10 years). The Seller will be responsible for the appropriate maintenance of tools and dies at its own cost.

12. Supplier Quality and Development; PPAP; Parts Identification (a) Seller will conform to the quality control standards and (inspection system), as well as related standards and systems (including without limitation quality control policies, ISO 9000, [ISO 9001](#), [IATF 16949](#), [current version for each one](#)), that are established by Buyer, and (to the extent directed by Buyer) Buyer's Customer(s). (b) Seller will also participate in supplier quality and development programs of Buyer, and (to the extent directed by Buyer) Buyer's Customer(s) that apply to the Supplies described in this Order. (c) Seller agrees to meet the full requirements of industry Production Part Approval Processes (PPAP) as specified by Buyer and (as applicable) Buyer's Customer(s) and agrees to present this information to Buyer upon request, at the level requested unless otherwise specifically agreed by Buyer in writing. (d) All Supplies that are a completed part shall permanently bear Buyer's part number and name and/or code name, Seller's part number and Seller's date of manufacture to have traceability, unless otherwise agreed by Buyer in writing.

13. Remedies The rights and remedies reserved to Buyer in this Order shall be cumulative with and additional to all other or legal or equitable remedies. At Buyer's request, Seller will reimburse Buyer for any incidental or consequential or other damages caused by nonconforming Supplies, including but not limited to costs, expenses and losses incurred directly or indirectly by Buyer or its Customer(s): (a) in inspecting, sorting, repairing or replacing the nonconforming Supplies, (b) resulting from production interruptions, (c) conducting recall campaigns, customer field service actions or other corrective service actions, or (d) resulting from personal injury (including death), property damage, lost profits, inspection, handling and reworking charges caused by the nonconforming Supplies.

Consequential damages include attorneys' fees and other professional fees, settlements and judgments incurred by Buyer and other costs associated with Buyer's administrative time, labor, and materials. If requested by Buyer, Seller will enter into a separate agreement for the administration or processing of warranty chargebacks for nonconforming Supplies and will participate in and comply with any warranty reduction or related programs of Buyer or (to the extent directed by Buyer) Buyer's Customer(s) that relate to the Supplies. In any action brought by Buyer to enforce Seller's obligation to produce and deliver Supplies under this Order, the parties agree that Buyer does not have an adequate remedy at law and Buyer is entitled to specific performance of Seller's obligations under this Order.

14. Indemnification (a) Seller hereby assumes the entire, sole responsibility for any injury to person, including death, or damage to property of any kind or nature caused by, resulting from or in connection with the furnishing of Supplies or services by Seller, its subcontractors, officers, agents, or employees. Buyer shall not be responsible for any injury to person or damage to property resulting from use, misuse or failure of any apparatus furnished to Seller by Buyer, and the use of any such apparatus by Seller shall constitute acceptance by Seller of all responsibility for any claims for such injury or damage. To the fullest extent permitted by law, Seller will defend, indemnify and hold harmless Buyer, Buyer's successors, assigns and Customers (both direct and indirect, including manufacturers of vehicles in which Supplies are incorporated), and dealers and users of the products sold by Buyer (or the vehicles in which they are incorporated), against any and all claims, damages, liabilities, or expenses (including attorneys' fees and other professional fees, settlements and judgments) arising out of or resulting in any way from any defective Supplies, or from any negligent or wrongful act or omission of Seller, or Seller's agents, employees or subcontractors, or any breach or failure by Seller to comply with any of Seller's representations or other terms and conditions of this Order (including any part of these Terms). Seller's obligation to defend and indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise except for claims that arise because of the sole negligence of Buyer. (b) If Seller performs any work on Buyer's or Buyer's Customer's premises or utilizes the property of Buyer or Buyer's Customer, whether on or off Buyer's or Buyer's Customer's premises: (i) Seller will examine the premises to determine whether they are safe for the requested services and will advise Buyer promptly of any situation it deems to be unsafe; (ii) Seller's employees, contractors and agents will comply with all regulations that apply to the premises and may be removed from Buyer's premises at Buyer's discretion; (iii) Seller's employees, contractors and agents will not possess, use, sell, transfer or be under the influence of alcohol or unauthorized, illegal or controlled drugs or substances on the premises; and (iv) to the fullest extent permitted by law, Seller will indemnify and hold Buyer and Buyer's Customer (and their respective officers, directors, employees, agents, successors and assigns) harmless from and against any and all liability claims, demands or expenses (including attorney's fees and other professional fees, settlements and judgments) for damages to the property of or personal injuries to Buyer, its Customer, their respective employees or any other person or entity if the claims arise from or in connection with Seller's work on the premises or Seller's use of Buyer's or Buyer's Customer's property, except for any liability, claim or demand arising out of the sole negligence of Buyer or Buyer's Customer.

15. Insurance Seller shall maintain insurance coverage for the Supplies in amounts as may be reasonably requested by Buyer or (to the extent directed by Buyer) Buyer's Customer(s), in each case naming Buyer and its affiliates and Customers as "additional insureds" as requested by Buyer. Seller will furnish to Buyer a certificate showing compliance with this requirement or certified copies of all insurance policies within ten (10) days of Buyer's written request. The certificate will provide that Buyer (and, if applicable, Buyer's Customers) will receive thirty (30) days prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. The existence of insurance does not release Seller of its obligations or liabilities under this Order. Seller must maintain insurance coverage even if not specifically requested by Buyer to provide the certificate or a specific amount is required by Buyer.

16. Compliance with Laws Seller, and any Supplies supplied by Seller, shall comply with all applicable laws, including rules, regulations, orders, conventions, ordinances or standards, that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the goods or services, including laws relating to environmental matters, hiring, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health or safety, and motor vehicle safety, [including reforms to the Federal Labor Law regarding Outsourcing](#). This Order incorporates by reference all clauses required by these laws. All materials used by Seller in the Supplies or in their manufacture shall satisfy current governmental and safety constraints on restricted, toxic, and hazardous materials as well as environmental, electrical, and electromagnetic considerations that apply to the country of manufacture, sale, or destination. Seller will indemnify Buyer against and hold Buyer harmless from any liability claims, demands or expenses (including attorney's fees and other professional fees, settlements, and judgments) relating to Seller's noncompliance.

17. Customer Requirements Seller agrees to comply with the applicable terms and conditions of any agreements ("Customer Purchase Orders") received by, or directly or indirectly applicable to, Buyer from a third party ("Customer"), in which Buyer agrees to supply to Customer, or incorporate into goods supplied to Customer, Supplies purchased by Buyer from Seller. The term Customer shall also include, where applicable, the final equipment manufacturer of goods or services into which the Supplies are or will be incorporated. Buyer may in its discretion supply Seller with information regarding the Customer Purchase Orders, but Seller shall be responsible for ascertaining any terms and conditions contained in Customer Purchase Orders that may affect Seller's obligations under this Order. Seller will do everything within its control to enable Buyer to meet the terms and conditions of the Customer Purchase Orders. If this Section conflicts any other paragraph in this Order, Buyer has the right to have the provisions of this Section prevail.

18. Insolvency This Order may be terminated immediately by Buyer without liability to Seller for any of the following events, or any other comparable events, and Seller shall reimburse Buyer for all costs incurred by Buyer in connection with any of the following, including but not limited to all attorney's and other professional fees: (a) Seller becomes insolvent, (b) Seller files a voluntary petition in bankruptcy, (c) an involuntary petition in bankruptcy is filed against Seller, (d) a receiver or trustee is appointed for Seller, (e) Seller needs accommodations from Buyer, financial or otherwise, in order to meet its obligations under this Order, or (f) Seller executes an assignment for the benefit of creditors. In the event that this Order is not terminated in accordance with the immediately preceding sentence, upon the occurrence of an event described in the immediately preceding sentence, Buyer may make equitable adjustments in the price and/or delivery requirements under this Order as Buyer deems appropriate to address the change in Seller's circumstances, including Seller's continuing ability to perform its obligations regarding warranty, nonconforming Supplies or other requirements under this Order.

19. Termination for Breach or Nonperformance Buyer reserves the right to terminate all or any part of this Order, without liability to Buyer, if Seller: (a) repudiates, breaches or threatens to breach any of the terms of this Order, including Seller's warranties, (b) fails to perform or threatens not to perform services or deliver Supplies as specified by Buyer, (c) fails to make progress or to meet reasonable quality requirements so as to endanger timely and proper completion or delivery of Supplies and does not correct the failure or breach within five (5) days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying the failure or breach, (d) sells or offers to sell a substantial portion of its assets used for the production of Supplies for Buyer, or sells or exchanges or offers to sell or exchange an amount of its stock or other equity interests that would result in a change in control of Seller, or (e) fails to remain competitive with respect to quality, technology, delivery and pricing of the Supplies. Seller shall notify Buyer within ten (10) days after entering into any negotiations that could lead to the situation specified in subsection (d) above; upon Seller's request, Buyer will enter into an appropriate nondisclosure agreement related to information disclosed to Buyer in relation to such transaction.

20. Termination (a) In addition to any other rights of Buyer to cancel or terminate this Order, Buyer may, at its option, upon 30 days' written notice, or, if applicable, such shorter period as may be required by Buyer's Customer, terminate all or any part of this Order at any time and for any reason, and notwithstanding the existence of any event of force majeure as defined in this Order. (b) Upon any such termination, and unless otherwise directed by Buyer, Seller will: (i) terminate promptly all work under this Order, (ii) transfer title and deliver to Buyer the finished Supplies, the work in process, and the parts and materials that Seller reasonably produced or acquired in accordance with the terms and conditions of this Order and which Seller cannot use in producing goods for itself or for others, (iii) verify and settle any claims by subcontractors for actual costs incurred directly and made unrecoverable by the termination and ensure the recovery of materials in subcontractor's possession, (iv) take actions reasonably necessary to protect property in Seller's possession in which Buyer has an interest until disposal instruction from Buyer has been received, and (v) upon Buyer's reasonable request, cooperate with Buyer in transferring the production of Supplies to a different supplier. (c) Upon termination by Buyer under this Section 20, Buyer's obligation to Seller will be: (i) the Order price for all finished Supplies that conform to the requirements of this Order and were not previously paid for, (ii) Seller's reasonable actual cost of work-in-process and the parts and materials transferred to Buyer in accordance with subsection (b)(ii) above, (iii) Seller's reasonable actual costs of settling the claims of the obligation Seller would have had to the subcontractors in the absence of termination, and (iv) Seller's reasonable actual cost of carrying out its obligation under subsection (b)(iv). Notwithstanding anything to the contrary, Buyer shall have no obligation for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, tooling, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, finished goods, work-in-process or raw materials that Seller fabricates or procures in amounts that exceed those authorized in the Material Authorization Releases, and general administrative burden charges from termination of this Order, unless otherwise expressly agreed to in writing by Buyer. (d) Buyer's obligation upon termination under this Section 20 shall not exceed the obligation Buyer would have had to Seller in the absence of termination. (e) Seller will furnish to Buyer, within one (1) month after the date of termination under this Section 20 (or such shorter period as may be required by Buyer's Customer), its termination claim, which shall consist exclusively of the items of Buyer's obligation to Seller that are listed in subsection 20(c) above. Buyer may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim. (f) Buyer will not have any obligation under subsections 20(a), (c), (d) or (e) above if Buyer terminates Buyer's obligations under the Order because of a default or breach by Seller.

21. **Transition of Supply.** In connection with termination of this Order by either party or Buyer's other decision to change to an alternate source of Supplies, Seller will cooperate in the transition of supply, including the following (collectively, "Transition Support"): (a) Seller will continue production and delivery of all Supplies as ordered by Buyer, at the prices and other terms stated in this Order, without premium or other condition, during the entire period reasonably needed by Buyer to complete the transition to the alternate supplier(s), such that Seller's action or inaction causes no interruption in Buyer's ability to obtain Supplies as needed; (b) at no cost to Buyer, Seller will promptly provide all requested information and documentation regarding and access to Seller's manufacturing process, including on-site inspections, bill-of-material data, tooling and process detail and samples of Supplies and components; and (c) subject to Seller's reasonable capacity constraints, Seller will provide special overtime production, storage and/or management of extra inventory of Supplies, extraordinary packaging and transportation and other special services as expressly requested by Buyer in writing. If the transition occurs for reasons other than Seller's termination or breach, Buyer will, at the end of the transition period, pay the reasonable, actual cost of Transition Support as requested and incurred, if Seller has advised Buyer prior to incurring such amounts of its estimate of such costs. If the parties disagree on the cost of Transition Support, Buyer will pay the agreed portion to Seller and any other amounts not agreed by the parties will be taken into arbitration [in accordance with the provisions of Section 35].

22. **Force Majeure** Any delay or failure of either party to perform its obligations shall be excused if, and to the extent, that it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence. By way of example, this includes acts of God, restrictions, prohibitions, priorities, or allocations imposed by or actions taken by any governmental authority (whether valid or invalid), embargoes, fires, floods, windstorms, severe weather, explosions, riots, natural disasters, wars, sabotage, inability to obtain power, or court injunction or order. Seller's inability to perform because of, or delays caused by, Seller's insolvency or lack of financial resources is deemed to be within Seller's control. The change in cost or availability of materials or components based on market conditions or supplier actions will not constitute *force majeure*. Written notice of such delay (including the anticipated duration of the delay) must be given to the other party as soon as possible after the occurrence (but no more than ten (10) days after). During the delay or failure to perform by Seller, Buyer may, at its option (i) purchase Supplies from other sources and reduce its schedules to Seller by such quantities, without liability to Buyer, (ii) ask Seller to deliver to Buyer at Buyer's expense all finished goods, work in process and parts and materials produced or acquired for work under this Order, or (iii) have Seller provide Supplies from other sources in quantities and at a time requested by Buyer and at the price set forth in this Order. In addition, Seller at its expense shall take all necessary actions to ensure the supply of Supplies to Buyer for a period of at least thirty (30) days, or such longer period as Buyer's Customer shall require, during any anticipated labor disruption or resulting from the expiration of Seller's labor contracts, and if Buyer requests, Seller shall, within ten (10) days of Buyer's request, provide adequate assurance that the delay will cease within such period. If the delay lasts more than 30 days or Seller does not provide adequate assurances that the delay will cease within 30 days, Buyer may immediately terminate the Order and any funds previously paid by or on behalf of Buyer shall be promptly returned to Buyer, without prejudice to Buyer's other remedies under this Order or applicable law.

In case of Force Majeure reports or market conditions notified by the Seller, the Seller must provide the Buyer with a potential breakout scenario immediately (never after 5 days of notification), containing information about the deliveries, scopes according to the issued releases, inventories at the level of part number and risks that they detect.

To provide this information, Seller must fill out the "TSM Tamagury Material coverage format Supplier" to project potential breaches and actions that they must take to avoid affecting our processes. Please request this form from your contact in the Production Control area.

23. Technical Information Disclosed to Buyer (a) Unless otherwise agreed to in writing by the Parties, no information disclosed in any manner at any time by Seller to Buyer will be deemed secret or confidential. (b) Seller agrees not to assert any claim (other than a claim for patent infringement) against Buyer, Buyer's Customers or their respective suppliers, with respect to any technical information that Seller has disclosed or may disclose to Buyer in connection with the Supplies and services covered by this Order. (c) Seller may not release or disclose Buyer's Property information to any third party without the express written permission of Buyer.

24. Proprietary Rights Seller may not release or disclose Buyer's Property to any third party without the express written permission of Buyer. (a) Seller agrees: (i) to defend, hold harmless and indemnify Buyer, its successors and Customers against claims of actual or alleged direct or contributory infringement or inducement to infringe any proprietary right (including any patent, trademark, copyright, moral, industrial design right or other proprietary right or misuse or misappropriation of trade secret) and against any resulting damages or expenses (including attorney's and other professional fees, settlements and judgments) arising in any way in relation to Supplies covered by this Order (including without limitation their manufacture, purchase, use and/or sale), including such claims where Seller has provided only part of Supplies, and Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specifications, (ii) to waive any claim against Buyer or Buyer's Customer(s), including any hold harmless or similar claim, in any way related to a third-party claim asserted against Seller or Buyer or Buyer's Customer(s) for infringement of any proprietary right (including any patent, trademark, copyright, moral, industrial design right or other proprietary right or misuse or misappropriation of trade secret), including claims arising out of specifications furnished by Buyer, (iii) that Buyer, Buyer's subcontractor(s), or Buyer's Customer(s) (including their affiliates and subcontractors) have the worldwide, irrevocable right to repair, reconstruct or rebuild, and to have repaired, reconstructed or rebuilt, Supplies delivered under this Order without payment of any royalty or other compensation to Seller, (iv) that manufactured parts based on Buyer's designs, drawings or specifications may not be used for Seller's own use or sold to third parties without Buyer's express written authorization, (v) to assign to Buyer each invention, discovery or improvement (whether or not patentable) that is conceived or first reduced to practice by Seller, or by any person employed by or working under the direction of Seller, in the performance of this Order (Seller will promptly disclose in an acceptable form to Buyer all such inventions, discoveries or improvements and will cause its employees to sign any papers necessary to enable Buyer to obtain title to and to file applications for patents throughout the world), (vi) that if the sale or use of the Supplies is enjoined or, in Buyer's sole judgment, is likely to be enjoined, Seller will, at Buyer's election and Seller's sole expense, procure for Buyer the right to continue using the Supplies, replace the same with equivalent non-infringing goods or modify such Supplies so they become non-infringing, and (vii) to the extent that any works of authorship (including, without limitation, software and computer programs) are created in the course of performing this Order, such works shall be considered "works made for hire", and to the extent that such works do not qualify as "works made for hire," Seller hereby assigns to Buyer all right, title, and interest in all copyrights and moral rights therein. (b) All Supplies or other deliverables provided under this Order (including, for example, computer programs, technical specifications, documentation, and manuals) shall be original to Seller and shall not incorporate any intellectual property rights (including copyright, patent, trade secret, mask work or trademark rights) of any third party, unless otherwise expressly agreed by Buyer. (c) All Supplies or other deliverables provided under this Order, and all related intellectual property rights, are owned by Buyer and not by Seller, unless otherwise expressly agreed by Buyer. (d) Seller hereby grants Buyer an irrevocable, non-exclusive, worldwide, royalty-free, paid-up, license, under the proprietary rights of Seller (including proprietary rights to which Seller has the right to grant licenses, and including, without limitation, any patent, copyright, moral, industrial design right, trademark or other proprietary right)("Seller Proprietary Rights"): (i) in the event that this Agreement is terminated by

Buyer under Sections 18 or 19, and/or (ii) in the event that Seller for any reason is unable to satisfy the quality, quantity, delivery or related requirements of Buyer for Supplies under this Order and/or additional orders (including, for example and without limitation, in the event of force majeure, or increased demand due to volume requirements for a corrective field service action/recall, or by reason of Seller's insolvency, or in the event of a required change or expansion in relation to the country(ies) of manufacture or delivery): (A) to make, have made, use, sell, offer to sell, and import the Supplies, (B) to copy, modify, use, distribute, publicly display/perform, prepare derivative works of, reproduce in the case of a mask work, and import or distribute in the case of a semiconductor chip product in which a mask work is embodied, any copyrighted or copyrightable portions of such Seller Proprietary Rights relating in any way to Supplies, and (C) to do all other things and exercise all other rights in the Seller Proprietary Rights necessary or useful to avoid, remedy and mitigate, as Buyer reasonably determines to be appropriate, all or any portion of any consequences to Buyer, and to any direct and indirect customers of Buyer, arising from any situation under subparagraphs (i) or (ii) above. Rights under this Section 24(d) are intended to be subject to 11 USC Section 365(n), as executory agreements under which Buyer has license rights to the Seller Proprietary Rights and are supplementary to any other rights of Buyer under existing Orders and other agreements (if any) with Seller. (e) At no additional cost, Seller will grant Buyer a license to use any intellectual property owned by Seller that is necessary or incident to the reasonably intended use or application of the Supplies. (f) Seller will ensure that the terms of its contracts with its subcontractors will be consistent with the terms of this Section.

25. Service and Replacement Parts So that Buyer can satisfy the current model service and replacement parts requirements of itself or its Customers, Seller agrees to supply Buyer with Supplies, component parts and materials that are the same as the Supplies, component parts and materials that Buyer purchases under this Order at the price(s) set forth in this Order plus any actual cost differential for packaging. If the Supplies are systems or modules, Seller agrees to sell each component or part at a price that does not, in the aggregate, exceed the system or module price specified in this Order, less assembly costs, plus any actual cost differential for packaging. After Buyer completes its purchases for its Customers' current model requirements, Seller will sell Supplies to Buyer in order to fulfill Buyer's past model service and replacement parts requirements, at price(s) based on the most recent price(s) under this Order for the first 3 years after the program ends, From the fourth to the seventh year, price will be adjusted according to raw materials increase plus packaging, from eighth year on, price for service parts will be adjusted for raw material increases, plus labor increases, plus set up fees plus packaging.. At Buyer's request, Seller will make service literature and other materials available at no additional charge to support Buyer's service part sales activities. Seller will keep tools and dies available and at operational conditions to fulfill all service parts requirements by the Buyer for at least 10 years after end of production and will be responsible for developing the same commitments and agreements with its own suppliers.

26. Confidentiality; Warranty Disclaimer; Buyer's Property (a) All tooling (including fixtures, gauges, jigs, patterns, castings, cavity dies and molds, with all related appurtenances, accessions, and accessories), packaging, and all documents, standards or specifications, trade secrets, proprietary information, materials (including whether or not such materials are in any way modified, altered or processed), and other items furnished by Buyer, either directly or indirectly (collectively "Buyer's Property"), to Seller to perform this Order, or for which Seller is reimbursed by Buyer, shall remain Buyer's property as it is fabricated or acquired. (b) Buyer does not guarantee the accuracy of any tooling or dies or the availability or suitability of any supplies or material furnished by it. Seller agrees carefully to check and approve all tooling, dies or materials supplied by Buyer prior to using it. Seller shall assume all risk of death or injury to persons or damage to property arising from use of tools, dies or materials supplied by Buyer. BUYER SHALL HAVE NO LIABILITY TO SELLER OR TO ANYONE CLAIMING BY OR

THROUGH SELLER FOR ANY INCIDENTAL OR CONSEQUENTIAL OR OTHER DAMAGES OF ANY KIND WHATSOEVER. BUYER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE TOOLING, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND SELLER WAIVES, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, ALL CLAIMS OF NEGLIGENCE AND STRICT LIABILITY. (c) Buyer's Property will be held by Seller or by a third party, to the extent that Seller has transferred possession of Buyer's Property to a third party, on a bailment basis, as a bailee-at-will. Seller bears the risk of loss of and damage to Buyer's Property. Buyer's Property shall be housed, maintained, repaired and replaced by Seller at Seller's expense in good working condition capable of producing Supplies meeting all applicable specifications, shall not be used by Seller for any purpose other than the performance of this Order, shall be deemed to be personalty, shall be conspicuously marked by Seller as the property of Buyer, shall not be commingled with the property of Seller or with that of a third person, and shall not be moved from Seller's premises without Buyer's approval. Any replacement of Buyer's Property will become Buyer's property. Seller may not release or dispose Buyer's Property to any third party without the express written permission of Buyer. Seller shall insure Buyer's Property with full fire and extended coverage insurance for its replacement value. Seller shall take all reasonable precautions to (i) disclose Buyer's Property within Seller's organization only to those employees who have a need to know in order to fulfill Seller's obligations hereunder and who have agreed to keep the Buyer's Property confidential, and (ii) prevent any such Buyer's Property from being divulged to third persons not employed by Seller, including having recipients acknowledge the confidential status of such Buyer's Property and agreeing to similar restrictions. This obligation of confidence shall survive termination of this Agreement and will continue for a period of three (3) years thereafter, or for as long as the Buyer's Property remains a trade secret, whichever is longer. Notwithstanding anything to the contrary in this Order, any confidentiality or non-disclosure agreement between the parties that predates this Order will remain in effect except as expressly modified by this Order, and to the extent of a conflict between the express terms of such an agreement and this Section 26, the terms of that agreement will control. Buyer shall have the right to enter Seller's premises to inspect Buyer's Property and Seller's records regarding Buyer's property. Only Buyer (or Buyer's affiliates) has any right, title or interest in Buyer's Property, except for Seller's limited right, subject to Buyer's unfettered discretion, to use Buyer's property in the manufacture of Supplies. Buyer and its affiliates shall have the right to take immediate possession of Buyer's Property at any time without payment of any kind. Seller agrees to cooperate with Buyer if Buyer elects to take possession of Buyer's Property. Likewise, effective immediately upon written notice to Seller, without further notice or court hearings, Buyer has the right to enter the premises of Seller and take possession of all of Buyer's Property. Seller expressly waives any right to additional notice or process and agrees to provide Buyer or its nominee(s) with immediate access to Buyer's Property. Seller grants to Buyer a limited power of attorney to execute and record on Seller's behalf any notice or financing statements with respect to Buyer's Property that Buyer determines are reasonably necessary to reflect Buyer's interest in Buyer's Property. At Buyer's request, Buyer's Property shall be immediately released to Buyer or delivered by Seller to Buyer either (i) FOB transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of Buyer's selected carrier, or (ii) to any location designated by Buyer, in which case Buyer will pay Seller the reasonable costs of delivery. Seller waives, to the extent permitted by law, any lien, or other rights that Seller might otherwise have on any of Buyer's Property, including but not limited to lender's and builder's liens.

27. **Seller's Property** Seller, at its expense, shall furnish, keep in good working condition capable of producing Supplies meeting all applicable specifications, and replace when necessary, all machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns, and items other than Buyer's Property that are necessary to produce Supplies ("Seller's Property"). Seller shall insure Seller's Property with full fire and extended coverage insurance for its replacement value. If Seller uses Seller's Property to produce goods or services, similar to Supplies, for other Customers, including aftermarket Customers, such goods or services shall not incorporate any of Buyer's logos, trademarks, tradenames or part numbers. Seller

shall not disclose or imply in its marketing efforts that these goods or services are equivalent to those purchased by Buyer. Seller grants to Buyer an irrevocable option to take possession of and title to Seller's Property that is special for the production of Supplies under this Order upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the cost of these items. This option does not apply if Seller's Property is used to produce goods that are the standard stock of Seller or if a substantial quantity of like goods is being sold by Seller to others.

28. Customs: Related Matters Credits or benefits resulting from this Order, including trade credits, export credits, or the refund of duties, taxes, or fees, belong to Buyer. Seller will provide all information and certificates (including NAFTA Certificates of Origin) necessary to permit Buyer (or Buyer's Customers) to receive these benefits or credits. Seller agrees to fulfill any customs or NAFTA or other International trade agreements related obligations, origin marking or labeling requirements, and local content origin requirements. Export licenses or authorizations necessary for the export of Supplies are Seller's responsibility unless otherwise indicated in this Order, in which case Seller will provide the information necessary to enable Buyer to obtain the licenses or authorizations. Seller will promptly notify Buyer in writing of any material or components used by Seller in filling this Order that Seller purchases in a country other than the country in which the Supplies are delivered. Seller will furnish any documentation and information necessary to establish the country of origin or to comply with the applicable country's rules of origin requirements. Seller will promptly advise Buyer of any material or components imported into the country of origin and any duty included in the Supplies' purchase price. If Supplies are manufactured in a country other than the country in which Supplies are delivered, Seller will mark Supplies "Made in (country of origin)." Seller will provide to Buyer and the appropriate governmental agency the documentation necessary to determine the admissibility and the effect of entry of Supplies into the country in which Supplies are delivered. Seller warrants that any information that is supplied to Buyer about the import or export of Supplies is true and that all sales covered by this Order will be made at not less than fair value under the anti-dumping laws of the countries to which the Supplies are exported. To the extent any Supplies covered by this Order are to be imported into the United States of America, Seller shall comply with all applicable recommendations or requirements of the Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism ("C-TPAT") initiative. Upon request, Seller shall certify in writing its compliance with the C-TPAT initiative. If the Supplies are imported into Mexico from another country, the Seller is fully responsible for fulfilling all "Norma Oficial Mexicana" (NOM) applicable.

29. Set-Off; Recoupment In addition to any right of setoff or recoupment provided by law, [in case that the Buyer and Seller become reciprocally Debtors and Creditors in the commercial relationship, the Buyer may offset the amounts that the Seller has with the Buyer for all overdue and due debts](#), shall be considered net of indebtedness of Seller and its affiliates or subsidiaries to Buyer and its affiliates or subsidiaries. Buyer shall have the right to set off against or to recoup from any payment or other obligation owed to Seller, in whole or in part, any amounts due to Buyer or its affiliates or subsidiaries from Seller or its affiliates or subsidiaries. Buyer will provide Seller with a statement describing any offset or recoupment taken by Buyer.

30. No Advertising Seller shall not advertise, publish or disclose to third parties (other than to Seller's professional advisors on a need-to-know basis) in any manner the fact that Seller has contracted to furnish Buyer the Supplies covered by this Order, or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials, without first obtaining Buyer's written consent.

31. Relationship of Parties Seller and Buyer are independent contracting parties and nothing in this Order shall make either party the agent or legal representative of the other for any purpose. This Order does not grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. Seller will be solely responsible for all employment and income taxes, insurance premiums, charges, and other expenses it incurs in connection with its performance of the Order, except as expressly provided in a written agreement signed by Buyer. All employees and agents of Seller or its respective contractors are employees or agents solely of Seller or such contractors, and not of Buyer, and are not entitled to employee benefits or other rights accorded to Buyer's employees. Buyer is not responsible for any obligation with respect to employees or agents of Seller or its contractors. [In the case that the service provided by THE SELLER to THE BUYER is specialized subcontracting, THE SELLER must comply with each and every one of the obligations, requirements and assumptions established in the Labor Reform published in the Official Gazette of the Federation on the date April 23, 2021, accordingly. THE SELLER is obliged to provide THE BUYER with a copy of the identification and Social Security number of the workers who will participate in the performance of the respective specialized service, as well as a copy of the document that is in compliance with the periodic report referred to in the Article 29 Bis of the INFONAVIT Law together with the annexes referred to in paragraphs c, d, e and f of said numeral no later than 5 business days after the date of obligation presentation before the respective authority; copy of the registry referred to in article 15 of the Federal Labor Law on the date of acceptance of the Purchase Order; copy of the tax receipts for the payment of wages of the workers with whom they have provided the service or executed the corresponding work, of the payment receipt issued by the banking institution for the full declaration of the tax withholdings made to said workers, from the payment of the employer's worker fees to the Instituto Mexicano del Seguro Social, as well as the payment of contributions to the Instituto del Fondo Nacional de Vivienda for Workers 5 business days after the date on which THE SELLER has a legal obligation to comply with such obligations; copy of the declaration of the value added tax and the acknowledgment of receipt of the payment corresponding to the period in which THE BUYER makes the payment of the consideration and of the value added tax that was transferred, which must be delivered no later than the last day of the month following the one in which THE BUYER has made the payment of the consideration for the service received and the value added tax that has been transferred. "](#)

32. Non-Assignment (a) Seller may not assign or delegate its obligations under this Order without Buyer's prior written consent. In the event of any approved assignment or delegation authorized by Buyer, Seller retains all responsibility for Supplies, including, without limitation, all related warranties, and claims, unless otherwise expressly agreed in writing by Buyer. (b) With Buyer's prior written consent, Seller may make an assignment of receivables due or to become due to a single financial institution; provided, however, that any such assignment shall be subject to set-off or other proper method of enforcing any claims that Buyer may have under Section 29 of this Order. (c) Buyer will have the right to assign any benefit or duty under an Order to any third party upon notice to Seller with or without consent.

33. Suppliers with Particular Needs Buyer encourages Seller to use suppliers with particular needs. A Supplier with particular needs is a business, which meets one or more of the following conditions: (a) a small business, as defined in Title 15, Section 632 of the United States Code and related regulations; (b) a small business owned and controlled by socially disadvantaged individuals (at least 51% of the business owned and controlled by one or more socially and economically disadvantaged individuals and the management and daily business operations are controlled by one or more such individuals); and (c) a business that is at least 51% owned by a woman or women who also control and operate the business. Upon Buyer's request, Seller will inform Buyer on an annual basis the percentage, based on a dollar value, of the content of the Supplies provided by suppliers with particular needs as well as the basis for claiming that such content was provided by a supplier with particular needs.

34. Basic Working Conditions Seller represents that neither it nor any of its subcontractors or suppliers will (a) utilize forced labor, regardless of its form; (b) employ any person below the age of 15, unless it is part of a government approved job training, apprenticeship or other program that would be clearly beneficial to its participants; or (c) engage in physically abusive disciplinary practices (d) [In the case of subcontracting services or specialized works, the Seller must comply with all the modifications to the laws related to the decree published in the Official Gazette of the Federation dated April 23, 2021.](#) Seller further represents when it delivers the Supplies that it has complied with the requirements of this Section. Buyer may retain an independent third party, or request Seller to retain one reasonably acceptable to Buyer, to: (a) audit the Seller's compliance with this Section 34 and (b) provide Seller and Buyer with written certification of Seller's compliance, including areas for potential improvement. Seller will bear the cost of any third-party audit and certification under this Section 34, regardless of which party retained the auditor. Buyer, at its option, may accept an audit or certification by Seller in lieu of a third-party certification. For purposes of this Section 34, the temporary assignment of employees of one party to the facilities operated by the other party will not affect the status or change the employment relationship of the assigned employees.

35. Governing Law; [Jurisdiction or Arbitration] (a) This Order is to be construed according to the laws of the State of Aguascalientes, Mexico excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict of law's provisions that would require application of another choice of law; and (b) Any litigation on contractual claims arising from this Order may be brought by Buyer in any court(s) having jurisdiction over Seller or, at Buyer's option, in court(s) having jurisdiction over any Buyer's location listed above, in which event Seller consents to jurisdiction and service of process in accordance with applicable procedures. Any actions or proceedings by Seller against Buyer may be brought by Seller only in the court(s) having jurisdiction over the location of Buyer from which this Order issued.] At Buyer's option, exercised by written notice any time before or within 30 days following the service of process in a legal action, any dispute regarding the Supplies, the Order, the validity of the Order or any of these Terms, or any other matter between the parties (other than requests for injunctive relief) will be resolved by binding arbitration, conducted in the Spanish language and using a single arbitrator to be selected solely by the Buyer, to be conducted at a location also to be selected solely by the Buyer. The arbitration will be conducted under the commercial arbitration rules prevailing party in any such action will be entitled to its attorneys' fees and costs). Any request for injunctive relief may be brought by Buyer in any court(s) having jurisdiction over Seller or, at Buyer's option, in the applicable court closest to the place from which the Order was issued by Buyer, in which event Seller consents to the jurisdiction of such court. Any request for injunctive relief against Buyer may be brought by Seller only in the court(s) having jurisdiction over the location of Buyer from which the Order issued.]

36. Severability If any term of this Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, the term shall be deemed reformed or deleted but only to the extent necessary to comply with applicable law. The remaining provisions of this Order shall remain in full force and effect.

37. Survival The obligations of Seller to Buyer survive termination of this Order, except as otherwise provided in this Order.

38. Entire Agreement; Modifications; No Implied Waiver (a) This Order, together with the front page (Blanket Order), attachments, exhibits, supplements, or other terms of Buyer specifically referenced in this Order, constitutes the entire agreement between Seller and Buyer with respect to the

matters contained in this Order and supersedes all prior oral or written representations and agreements. This Order may only be modified by a written amendment, revision, attachment, supplement, etc. executed by authorized representatives of each party or, in the case of changes within the scope of Section 10, by a purchase order amendment issued by Buyer or by specific conditions described in Order's front page (Blanket Order). Buyer keeps the right to make changes to these terms as long as they have been posted on internet Buyer's website and the Seller has the obligation of continuously be checking the website in order to identify any changes or revisions that could have been posted by the Buyer. The Seller will have 7 natural days from the date the changes are posted on the website by the Buyer to notify in writing if changes are not clear and need further explanation. If no written clarification is required by the Seller during the 15 days period, changes in Terms will be taken as accepted. (b) The failure of either party at any time to require performance by the other party of any provision of this Order shall in no way affect the right to require performance at any later time, nor shall the waiver of either party of a breach of any provision of this Order constitute a waiver of any later breach of the same or any other provision of this Order.

39. **Conflict of Interest** Seller represents and warrants that its performance of the Order will not in any way conflict with any continuing interests or obligations of Seller or its employees or contractors. Seller further warrants that while the Order is in effect, Seller and those of its employees and contractors participating in the performance of the Order will refrain from any activities which could reasonably be expected to present a conflict of interest with respect to Seller's relationship with Buyer or its performance of the Order.

40. **Sales Tax Exemption** Buyer certifies that Supplies purchased under this Order and identified as industrial processing are eligible for state and federal sales tax exemption under the federal identification number indicated on the face of this Order or otherwise provided by Buyer. This applies only in case the supplies are commercialized in the United States of America.

41. **Tooling: Capital Equipment** The provisions of this Section apply only to tooling or capital equipment orders. Buyer shall have access to Seller's premises, prior or subsequent to payment, to inspect work performed and to verify charges submitted by Seller against this Order or amendment. The price set forth in this Order or amendment shall be adjusted so as to credit Buyer in the amount, if any, by which the price exceeds Seller's actual cost as verified. Seller further agrees to retain all cost records for a period of ten (10) years after receiving final payment of the charges. All tools and capital equipment are to be made to Buyer's specifications (or, where directed by Buyer, those of Buyer's Customer). Exceptions are to be covered in writing on this Order or in a signed writing from the Buyer.

42. **Subcontracts.** Seller will inform Buyer in writing of any third parties to whom Seller subcontracts any of the work required under this Order, specifying in detail the work which has been subcontracted to such third party. Seller will ensure that the terms of its contracts with its subcontractors provide Buyer and its Customers with all of the rights specified in this Order, including but not limited to those set forth in Section 7 and 31 or this document. Said third company must be duly indicated in Annex 1A of this document regarding the outsourcing of specialized technical services.

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