

## General Terms and Conditions of Sale and Delivery (GTC)

F. Morat Sistemas de México, S. de R.L. de C.V.

RFC: FMS150820LJ7

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### I. Binding force

1. These General Terms and Conditions of Sale (GTC) apply exclusively to all our quotations, deliveries and services. They are an integral part of all contracts that we make with our contractual partners. They also apply for all of our future deliveries, services or quotations, even if they are not specifically agreed to again.
2. Differing agreements to which we have not expressly objected, particularly the purchaser's conditions of purchase, will be binding only if we have expressly confirmed them in writing. Even if we refer to a letter that contains the purchaser's terms and conditions or those of a third party or refers to such, this does not indicate any agreement to the applicability of those conditions.
3. Any invalidity of individual provisions of these GTC shall not affect the validity of the remaining provisions.

### II. Quotations, contract signature and contract terms

1. Quotations are made without engagement and are non-binding unless they are expressly marked as binding or contain a specific acceptance deadline, and are subject to prior sale.
2. Orders are deemed to have been accepted on issue of our order confirmation or on immediate delivery of the goods.
3. Samples, patterns and other documentation and information such as photocopies, drawings, measurements and weights are approximations only and are supplied without engagement unless the relevant assurances have expressly been given in writing.
4. We may base delivery on drawings, patterns, design and other information, purchaser's choice of material etc. passed to us, but there is no inspection obligation on our part and we cannot provide any guarantee. In the absence of detailed information on tolerances we shall base production on the mean dimensional variations specified in DIN 7168. The assurance of appropriate characteristics must be expressly agreed in writing.
5. Depending on the type of manufacture we reserve the right to a margin of  $\pm 10\%$  in the quantity delivered, particularly in the case of mass- and series production.

### III. Price and delivery terms

1. Price lists and other general pricing information are supplied without engagement.
2. Our prices are exclusive of packing, loading, carriage, postage, other forwarding charges, insurance, taxes and customs duties unless expressly otherwise agreed.
3. We reserve the right to make subsequent price alterations if material prices, wages or other cost factors change following order confirmation or if the cost of manufacture increases due to other circumstances beyond our control.
4. Prices only apply to a particular individual order, fixed-price contracts must be expressly agreed in writing.
5. The interpretation of delivery terms, e.g. "fob, cif, ex works" is governed by INCOTERMS 2010.

### IV. Forms and tools

1. The purchaser will cover the cost of forms and tools produced by us or by a third party on our behalf. The price of forms and tools also includes one-off sampling costs, but not the cost of test- and processing apparatus nor of modifications initiated by the purchaser.
2. Failing agreement to the contrary, we and the purchaser concur that the purchaser shall become the owner of the forms and tools once the costs have been paid. Handover of the forms and tools shall be replaced by our duty of safekeeping.
3. Number 6 notwithstanding, we undertake to use the forms and tools solely for the purchaser's orders.
4. Regardless of the purchaser's legal right to recover possession and the lifespan of the forms and tools, we shall be entitled to sole ownership of the forms and tools until an agreed minimum number of units has been accepted or until the contract lapses.
5. The purchase price of a form or tool ordered and paid for by the purchaser does not include the value of the know-how contributed by us during design and construction. The purchaser will make appropriate additional payment for this when the forms and tools are handed over to him.
6. As long as the purchaser has not fulfilled his obligations for the payment of form and tool costs and/or is late in taking delivery or paying for the formed parts supplied using the forms and tools, we shall have the right to retain the forms and tools and, furthermore, to continue using the forms and tools for as long as we wish until all the purchasers outstanding debts have been covered, particularly by selling the formed parts produced using the form and the tools; our obligation to use the forms and tools solely for the purchaser's orders will therefore cease to apply. If the purchaser has industrial property rights to the formed parts, he will grant us a free licence to manufacture and sell the formed parts for the duration of his delay.
7. We undertake to keep the forms and tools for the formed parts safe and to look after them carefully for the purchaser's subsequent orders. The duty of safekeeping shall cease if no further orders for the formed parts are placed by the purchaser within two years of the last delivery.
8. We will only accept liability for due care and diligence, not for damage caused despite proper handling of the forms and tools for the formed parts. We shall

cover maintenance costs which become necessary during the normal use of the forms within the agreed service life.

9. The purchaser, as the owner of the forms and tools, will carry the risk of the accidental destruction of the forms and tools as well as the full cost of the requisite insurance for the forms and tools.
10. If the duty of safekeeping in number 7 lapses, we may request the purchaser to collect the forms and tools within a certain period. After that period we shall be entitled either to put the forms and tools into storage or scrap them at the purchaser's expense. If we keep the forms and tools beyond the two year point we shall be free from any liability in respect of the forms and tools.

### V. Delivery

1. Deadlines and dates for deliveries and services are always only approximate unless a fixed deadline or fixed date is specifically promised or agreed as binding. If shipping has been agreed, delivery dates and deadlines refer to the time of transfer to the forwarder, carrier, or other third party assigned to transport the goods.
2. If timely dispatch cannot be effected for reasons beyond our control, the delivery period specially agreed as "binding" shall be deemed to have been met on due notification that the goods are ready for dispatch. We are not liable for the impossibility of delivery or for delays in delivery if caused by force majeure or other events not foreseeable at the time the contract was made and for which we are not at fault (e.g. operational breakdowns of any kind, difficulties in procuring material or energy, transportation delays, strikes, lockouts, shortage of labour, energy or raw materials, difficulties in procuring necessary official permits, government action, incorrect or untimely deliveries by suppliers). These stipulations shall also apply if the said events occur at a time when we are in arrears. If, after we are already in arrears, the purchaser threatens refusal following a reasonable period of grace, he shall be entitled to cancel the contract if we fail to comply within this period of grace. Claims for compensation shall be determined exclusively in accordance with Section IX.
3. We are entitled to make partial deliveries if
  - the partial deliveries are usable for the contractual partner as part of the contractual intended use
  - delivery of the remaining ordered goods is ensured
  - this does not impose unreasonable additional effort or considerable additional costs on the contractual partner.Partial deliveries must not be refused by the purchaser.

If the purchaser has reserved the right to call for partial deliveries, these should be duly called for at intervals which are as regular as possible so that we can effect proper manufacture and delivery by the intended date. Unless otherwise agreed, delivery of parts which have been ordered on call and for the manufacture of which we have covered ourselves with the requisite raw materials must be taken within 12 months of the date of ordering.

### VI. Forwarding and passage of risk

1. Risk shall pass to the purchaser on dispatch when the goods leave our works even when we are responsible for carriage and forwarding costs and even when part deliveries and deliveries are made subject to retention of title. Goods missing or damaged in transit will only be replaced by us on the basis of a new order charged at current valid prices.
2. If dispatch is delayed due to circumstances beyond our control, risk shall pass to the purchaser prior to dispatch following notification that the goods are ready for dispatch; we will, however, at the purchaser's expense comply with a timely and express request for insurance cover.
3. In the absence of special instructions from the purchaser we may at our discretion choose the route and means of transportation, always at the purchaser's expense, without liability for the cheapest or quickest method.
4. Returnable packaging specially indicated in the forwarding papers must be returned forthwith carriage paid; it must not be used for dispatch to third parties.

### VII. Duty of inspection and complaint

1. The delivered goods shall be inspected immediately after delivery to the purchaser or to a third party designated by him. The goods are considered accepted unless a complaint relating to recognisable defects or other defects that would be recognised in an immediate, careful inspection is lodged in writing and received by us within seven working days after delivery of the object, or otherwise within seven working days after discovery of the defect or from the time in which the defect could be recognised by the purchaser in normal use without closer inspection. If the purchaser intends collecting the goods from us or from third parties, the date of delivery shall be deemed to be our notification that the goods are ready for collection by the purchaser.
2. On our request, the delivery object complained about shall be sent back to us freight prepaid. If the complaint is justified, we will reimburse the costs of the most inexpensive shipment; this does not apply if the costs increase because the object of delivery are at a different location than that of the intended use.

### VIII. Warranty

1. Any parts proved to have been rendered unusable or the use of which has been materially impaired within the warranty period as the result of a circumstance occurring prior to the passage of risk – owing in particular to faulty design, poor materials or defective workmanship – will be repaired or replaced as we deem fit (subsequent performance). Such defects must be reported to us immediately they are discovered. Parts replaced will become our property.
2. The purchaser must allow us the requisite time and opportunity in which to effect any repairs or replacements, otherwise we shall not be answerable for the consequences. Only in urgent cases where operating safety is threatened or to avert excessive damage shall the purchaser have the right to remedy the defect himself or arrange for a third party to remedy it and claim a refund of the requisite cost, always providing that we were notified in advance and

were given the immediate opportunity of averting the danger or damage ourselves.

3. If the complaint proves justified we shall meet the following direct costs arising from subsequent performance: the cost of the replacement part including dispatch, as well as the reasonable cost of dismantling and fitting, and, if the individual case so justifies it, the cost of providing our fitters and assistants as necessary. In any event, the amount of costs we accept in addition to the cost of the replacement part shall be limited by the cost of the replacement part.
4. As part of his statutory rights the purchaser shall be entitled to withdraw from the contract or to reduce the purchase price if – with due regard to exceptional cases provided for by law – we fail within a reasonable set period to effect repair or replacement due to a material defect. If the defect is only a minor one, the purchaser shall simply be entitled to reduce the contract price
5. We will not accept liability for unsuitable or improper use, faulty assembly or operation by the purchaser or third parties, natural wear and tear, faulty or negligent handling, damage in transit, improper maintenance, unsuitable operating materials, defective construction work, unsuitable building ground, chemical, electrochemical or electrical influences – save where the supplier is responsible for same.

Standard commercial tolerances in respect of dimensions, quantity, quality, colour etc. shall form no cause for complaint. The same shall apply to deficiencies comprising 1-5% of the goods, depending on type and manufacture. The quality of our products is governed in principle only by our product specification. Public statements, recommendations or advertisements for our products do not constitute a contractual description of quality. Although the detailed product description contains a reference to DIN Standards, it does not represent a guarantee undertaking.

Modifications or repairs to the delivery item to which we have not expressly consented in writing and which have been carried out by the purchaser or by third parties on their own initiative, shall result in the lapse of any claims under the warranty.

Advice and information of any type whatsoever shall not be contractually binding and shall be provided free of charge to the best of our knowledge, but without any guarantee or liability whatever on our part.

#### **IX. Liability**

1. Where there has been no damage to the delivery item itself we will only accept liability – for whatever legal reasons – in the event of malicious intent, gross negligence of the proprietor/ executive bodies or management staff, in the event of culpable damage to life, limb, health, in the event of defects which he has fraudulently concealed or the absence of which he has guaranteed, and in the event of defects in the delivery item, to the extent that there is liability for personal injury or damage to privately used items under the Product Liability Act
2. We will also accept liability for the culpable breach of material contractual obligations in the event of gross negligence by non-management staff and in the event of slight negligence, limited in the latter case to typical contractual, reasonably foreseeable damage. No other claims will be admitted.

#### **X. Statutory limitation**

1. Any claims by the purchaser – on any legal ground whatsoever, particularly including warranty claims – shall be subject to a limitation period of 12 months. The statutory period will apply to wilful or malicious conduct and to claims under product liability law.

#### **XI. Reservation of title**

1. Goods supplied shall remain our property as reserved-title goods pending payment and discharge of all existing debts arising from the business relationship, of all outstanding debts in connection with the subject matter and of all debts arising in future. The suspension of individual debts in a current account or the balancing and acknowledgment thereof shall not cancel the reservation of title. If our liability on a bill is established in connection with the making of payment by the purchaser, the reservation of title shall not lapse prior to collection of the bill by the purchaser as drawee.

If the purchaser breaches the contract, and in particular is in arrears on payment, we shall be entitled to repossess the reserved-title goods after due warning, and the purchaser will be obliged to hand them over.

2. If reserved-title goods are processed into a new movable item by the purchaser, processing is carried out for us without our being under any obligation, the new item becomes our property. Where processing is carried out on goods not belonging to us, we shall acquire co-ownership of the new goods in the proportion of the value of the reserved-title goods to the other goods at the time of processing.

If reserved-title goods are combined, mixed or included with goods not belonging to us pursuant to §§ 947, 948 BGB, we shall become co-owners as provided by law. Should the purchaser acquire sole ownership by combining, mixing or including, he hereby transfers to us co-ownership in the proportion of the value of the reserved-title goods to the other goods at the time of combining, mixing or including. In this case the purchaser must hold free of charge the item owned or co-owned by us, which is also deemed to be a reserved-title item within the meaning of the provisions below.

3. Should reserved-title goods be sold by the purchaser, alone or together with goods not belonging to us, the purchaser hereby assigns the claims arising from the resale to the value of the reserved-title goods with all additional rights and priority over all other debts; we accept the assignment. The value of the reserved-title goods will be the amount of our invoice plus a security premium of 10%, which will, however, be left out of account if it conflicts with third party rights. If the resold reserved-title goods are co-owned by us, the assignment of claims shall extend to the amount equivalent to the proportional value of our co-ownership.

Para. 1 sentence 2 applies analogously to the extended reservation of title, the assignment of future debts under para. 3 sentence 1 and 3 also extends to the balance claim.

4. If reserved-title goods are installed by the purchaser or by us on the

purchaser's behalf as a material component in the real property of a third party, the purchaser hereby assigns the claims for payment arising against the third party or whoever it concerns to the value of the reserved-title goods with all additional rights incl. such for the grant of a debt-securing mortgage, with priority over all other debts; we accept the assignment. Para. 3 sentence 2 and 3 shall apply analogously.

If reserved-title goods are installed by the purchaser as a material component in the real property of the purchaser, the purchaser hereby assigns the claims arising from the commercial sale of the real property or from real property rights to the value of the reserved-title goods with all additional rights and with priority over all other debts; we accept the assignment. Para. 3 sentence 2 and 3 shall apply analogously.

5. Bills received by the purchaser by virtue of the assigned debt are hereby assigned to us. The purchaser will hold the papers for us.
6. The purchaser shall only be entitled and authorised to resell, use or install the reserved-title goods in the normal course of business and only subject to the proviso that the claims within the meaning of Section XI – Reservation of title – are actually transferred to us. The reservation of title and assignment to us must be disclosed to the customer. The purchaser shall not be entitled to otherwise dispose of reserved title goods, particularly by pledging or assigning them as security. We must be informed immediately if the reserved-title goods or assigned claims are taken in execution; the purchaser will meet the cost of an intervention.
7. Subject to revocation the purchaser shall be authorised to collect the outstanding debts assigned under para. 3 and 4. We shall make no use of our own authorisation to collect as long as the purchaser meets his payment obligations, including to third parties.
8. If the outstanding debts assigned are collected by us, the purchaser undertakes to give us every assistance in collecting them, particularly in preparing accounts, providing information and supplying documents to the extent necessary for collection.
9. If payment is suspended, if there is a petition for or adjudication of bankruptcy or of court or out-of-court composition proceedings, the right to the resale, use or installation of the reserved-title goods and the authorisation to collect the outstanding debts assigned shall be extinguished; authorisation shall also lapse if a cheque or bill is protested.
10. If the value of the securities granted exceeds the outstanding debts by more than 20 %, we are to that extent obliged to make reassignment or release at the purchaser's option. Once all the debts arising from the business relationship have been repaid, ownership of the reserved-title goods and the debts assigned shall be transferred to the purchaser.

#### **XII. Payment conditions**

1. Payment must be made within 14 days of the invoice date at a 2% discount or within 30 days of the invoice date without deduction. The purchaser will only be entitled to a discount if his account shows no outstanding invoiced amounts.
2. The discounting of bills or cheques is at our discretion and always only as payment and subject to possible discounting or encashment. No discount is allowed on bills; charges will be covered by the purchaser. The acceptance of bills and cheques notwithstanding, we shall at any time be entitled to request payment of the original debt against return of the bill or cheque.
3. If payments are made later than agreed even though due or are deferred by special agreement, interest in the interim will be charged at the current standard overdraft facility rate, even without the preconditions of delay otherwise being present.

Should the purchaser get into arrears with a payment or should his financial position deteriorate materially following contract signature, all our claims arising from the business relationship will immediately become due for cash payment, even in the event of a deferment and even after bills and cheques have been discounted by us. In this event we shall also be entitled to request prior payment or the lodging of security, and, after a reasonable period of grace, to terminate the contract or claim damages for non-performance

4. Complaints not expressly acknowledged by us in writing shall not release the purchaser from the obligation to make payment. Offsetting by counterclaims of the purchaser or withholding of payments due to such claims is only permitted if the counterclaims are undisputed or have been legally established in court.

#### **XIII. Assignment**

1. Claims arising from the purchase contract, inclusive of any warranty rights, may not be assigned to third parties without our express written consent.

#### **XIV. Place of performance, court of jurisdiction and applicable law**

1. The place of performance for deliveries, services and payments by both parties shall, where lawful, be Eisenbach/Schwarzwald.
2. Any disputes, including actions relating to bills and cheques, shall, where lawful, be settled before the Amtsgericht in Titisee-Neustadt or the Landgericht in Freiburg i.Br. However, we are entitled to take legal action against the purchaser at the court of jurisdiction in his domicile.
3. The contractual relationships shall be governed exclusively by German law, even if the purchaser is a foreigner or has a registered domicile abroad.

The application of the United Nations Convention on the International Sale of Goods, CISG, is excluded.

*This is a translation of the above conditions. Should there be differences in interpretation, the original version in German applies.*