

GENERAL TERMS AND CONDITIONS OF SALE

1.- DEFINITIONS.

For the purposes of this document, it shall be understood as:

1. **Services.** The goods (products) and/or services described in the quote contained in this document that include both goods and services, unless the context of the paragraph indicates otherwise.
2. **Buyer.** The person or entity to whom the quotation is addressed, its successors or assigns, and whose address appears in the quotation itself.
3. **Seller.** Georg Utz de Mexico, S. de R.L. de C.V.
4. **Parties.** Jointly the Buyer and Seller

2.- CONTRACT INTEGRITY.

Seller's acceptance of Buyer's order is expressly conditioned on Buyer's agreement to and acceptance of the Terms and Conditions contained herein, together with any special terms stipulated by Seller in the Purchase Order. They therefore constitute the final and entire agreement between the Parties which may not be varied except by express written modification duly authorized by Seller and signed by the Parties. Seller's Terms and Conditions contained herein or set forth in any of Seller's forms or packaging materials shall govern and prevail regardless of whether any other documents have preceded or succeeded this document. Consequently, these terms and conditions are part of our quotation procedures, purchase orders and their respective confirmation, apply to all types of business relationship with our customers, from contracts, payments, deliveries, technical assistance and other services.

3.- CONSENT

For all legal purposes, it is understood that requesting the services constitutes the consent by the Buyer, in the terms provided by Article 1803 of the Federal Civil Code, and, therefore, the Contract between the Buyer and the Seller will be perfected at the time any of the following acts is performed by the Buyer, whichever occurs first:

- a. A Purchase Order, or any other term commonly used to designate one party to the other, is generated by the Buyer on behalf of the Seller.
- b. A payment is made by any means of any amount of money as an advance, payment on account or prepayment for the Services quoted by the Seller to the Buyer; such perfection therefore implies that
 - a. Both parties have entered into a Contract, the scope of which is set forth herein by the Seller, and where applicable the Purchase Order issued by the Buyer;
 - b. The Buyer agrees that such contract shall be made in strict accordance with the Terms and Conditions contained herein;
 - c. In the event of any discrepancy between this document from the Seller and the Buyer's Purchase Order, this document shall prevail.

4.- CREDIT APPROVAL, INFORMATION AND ACCEPTANCE

All orders are subject to approval of Buyer's creditworthiness and acceptance by Seller. As a condition of sale, Buyer grants Seller the right to investigate Buyer's credit history, exchange credit information with third parties and inform third parties of accounts and the relationship between Buyer and Seller, and Seller is released from any liability arising therefrom.

5.- PRICE ADJUSTMENT.

Prices will be valid for 30 calendar days from the date of the Quotation. Seller reserves the right to adjust the price to compensate for additional transportation costs, raw materials and requirements beyond those previously quoted.

6.- PAYMENT TERMS

All invoices are payable upon delivery and must be disclosed without offsetting deductions. The Buyer shall not deduct credits without the Seller having first issued a credit note. Seller shall have the right to determine a lien on all unshipped goods and goods recovered in transit until the full amount of Buyer's debt has been paid.

7.- TAXES AND ADDITIONAL EXPENSES ON THE BUYER'S EXPENSE

In addition to the purchase price, the Buyer shall be responsible for all taxes generated, including value-added, excise, use, privilege, ad valorem, customs and any other taxes, liens, fees or similar charges, taxes levied or increased under any law, rule, municipal, state, federal, international, or any other nation's ordinance or regulation with respect to goods sold to Buyer or any part, component, or material contained therein, including the importation, processing, distribution, sale, or exportation of machines, raw materials, parts, or manufactured goods. Also, Buyer shall be responsible for any additional expenses incurred by Seller as a result of obligations imposed by municipal, state, federal, international or any other nation's laws regulating labor fees and costs for the production of the goods. In the event that Seller, for any reason, is required to pay such taxes, Buyer shall, upon request, immediately refund such amounts to Seller. The Buyer shall provide, upon request by the Seller, any tax exemption certificate.

8.- FREIGHT AND RISK OF LOSS

The Incoterm is determined in the quote. Buyer assumes all risk of loss, delay or damage to the goods in transit that may occur once they have been delivered to their carrier.

9.-DELIVERY

Buyer shall be responsible for any expenses attributable to a variation in the Incoterms shown in the quotation. The shipment and delivery dates indicated in the quotations and acknowledgements of receipt of the goods are estimated dates and are not guaranteed, unless otherwise specified. The Seller will not be liable for failure to fulfill any order or deliver the goods, or for delays in delivery of the goods, arising from any cause beyond the control of the Seller. The Seller reserves the right to make partial deliveries. All partial deliveries will be invoiced separately and must be paid for according to the terms of payment without consideration of subsequent partial deliveries. Delay in delivery of any installment shall not relieve Buyer of its obligation to pay for prior and remaining installments. Seller reserves the right to refuse to make further deliveries if Buyer has not paid for any of the foregoing deliveries by the due date.

10.- NO CANCELLATION

Buyer may not cancel the Purchase Order without Seller's written authorization.

11.- RETURNS

Buyer may not return the goods unless he receives written authorization from the Seller. Transportation costs shall be borne by the Buyer. Seller reserves the exclusive right to determine the value to which returned goods will be credited. Also, Seller reserves the right to refuse any return of unauthorized materials.

12.- ARREARS AND FEES

Seller reserves the right to apply a 25% (twenty-five percent) annual late interest rate to all invoices not settled within the agreed credit terms. In the event that Seller is forced to retain the services of legal counsel to enforce its rights against Buyer, then Buyer agrees to pay all costs and expenses including, but not limited to, reasonable court costs and attorney fees.

13.- RIGHT TO OUTSOURCING

Seller shall have the right to acquire from other natural or legal persons, or to subcontract in part or in whole the manufacture of the goods to be sold to the Buyer.

14.- GUARANTEES AND ACCEPTANCE OF BUYER'S RISK

Buyer warrants to Seller that it acquires the goods for industrial, commercial use, resale for commercial purposes and not for personal use or consumption. The Buyer further warrants that it is familiar with the type of goods sold by the Seller and that based solely on its own knowledge, it has ordered the purchased goods and has determined that such goods are suitable for its purposes.

15.- EXCLUSION OF WARRANTIES

There are no warranties other than those contained in the Purchase Order, and Seller expressly and specifically disclaims and excludes any other representations, warranties or guarantees, whether oral or written, statutory, common law or contractual, express or implied, such as, but not limited to, any warranty of merchantability, fitness for a particular purpose or quality. The warranty only includes defects in raw materials and workmanship. In no event shall Seller be liable after the expiration of the 12 (twelve) month period from the initial date of delivery of the goods. The existence of debts on the part of the Buyer invalidates the warranties.

16.- NO LIABILITY FOR DAMAGES

Seller shall not be liable for compensatory, indirect, consequential, general, special, exemplary or punitive damages; financial losses, costs, expenses or other attorney's fees; additional manufacturing expenses; the cost of insurance coverage; loss of profits or goodwill; costs and expenses incurred by Buyer in defending any claim; damages resulting from the transportation, receipt, inspection, custody, acquisition, sale, resale or handling of Seller's products for any reason.

17.- SPECIAL ORDERS AND CUSTOMIZED PROJECTS

In the event that any of the goods are manufactured and/or sold by Seller to meet Buyer's particular specifications or requirements, and are not part of Seller's standard line of business in the ordinary operation of its business, Buyer shall defend and indemnify Seller against all claims, damages, claims or demands which may be brought against Seller for any alleged or actual infringement of any patent in the United Mexican States or any other country, due to the manufacture and/or sale of the material covered thereunder.

In the case of services developed to measure, the Buyer acknowledges that the quotation is made based on the information received at the time of quotation and that it is of a budgetary nature (Budgetary), which may change during the development of the product due to variables such as size, material, thickness, density and other intrinsic characteristics of the product. The Buyer also acknowledges that only until the complete project of the product can be confirmed the technical feasibility of all the requirements of the buyer. The above may change the price, delivery time or type of solution without this being the responsibility of the Seller. The customized service projects quoted include a default design, the iteration of them to include additional aspects to those quoted can modify the price and delivery time. The existence of debts on the part of the Buyer can stop the customized projects.

18.- BUYER'S DUTY TO INSPECT AND LIMITATION OF SELLER'S LIABILITY

The Buyer shall carefully and thoroughly examine the goods upon receipt and before use. Any changes for defective or non-conforming goods must be communicated immediately in writing to the Seller. Failure by Buyer to give such written notice to Seller within 30 (thirty) days after Buyer has collected the goods in accordance with the Incoterm shall constitute an unconditional acceptance of the right to claim. The Seller shall have the opportunity to inspect, at its discretion, any of the goods which are defective or in respect of which there is any nonconformity and to remedy any such problems and shall have the right to require the Buyer to collect and return any such defective or in respect of which there is any nonconformity before the Seller incurs any liability to the Buyer. Seller's liability to Buyer and Buyer's remedy shall be expressly limited to the condition of any defective goods or refund to Buyer of the original price charged for such goods as Seller may elect. Seller's liability shall in no event exceed the original price charged for the goods.

19.- DEFAULT BY THE BUYER

In addition to the other rights reserved to Seller under these terms and conditions of sale, in the event that Buyer becomes insolvent or any petition for insolvency is filed by or against Buyer or if Buyer files a petition for assignment for the benefit of its creditors, or if a trustee, tax agent or other official is appointed to handle Buyer's affairs or Buyer makes fraudulent transfers or preferential payments, or if Buyer refuses to accept goods or otherwise violates its obligations to Seller or repudiates any contract with Seller or if Seller in its sole discretion is in doubt and believes that Buyer's financial condition has been impaired or does not warrant continued production or shipment under the terms agreed to herein, Seller reserves the right to cancel the order or to refuse to continue production and/or delivery until full payment in advance or a satisfactory guarantee and assurance of payment is received on due date. In the event of non-payment for any delivery made, whether partial or otherwise, Seller may suspend further suitable deliveries until full payment is received, or may terminate the contract without prior court order. However, without prejudice to Seller's actions, Buyer will be responsible for all costs and expenses incurred by Seller as a result of Buyer's default, including all cancellation charges, court costs and attorney fees.

20.- NO WAIVER OF RIGHTS

Seller's failure to exercise or enforce any right it may have under this agreement or at law shall not constitute a waiver of Seller's rights.

21.- NO ASSIGNMENT BY THE BUYER

Buyer shall not have the right to assign or otherwise transfer this Agreement or any rights or obligations arising under it, except with the prior written consent of Seller.

22.- CORRECTION OF ERRORS

Seller shall have the right to correct any obvious typographical or other errors contained herein or in any documents related to the parties' transaction.

23.- APPLICABLE LAW AND JURISDICTION

In the event of a judicial proceeding in relation to any matter subject to this Agreement, the parties hereto irrevocably agree that such matter shall be judged or decided by the competent courts of Guanajuato, Mexico. In addition, the parties irrevocably agree to submit generally and unconditionally to the Jurisdiction of any such court in connection with such matters and expressly waive any other jurisdiction to which they may be entitled by virtue of their present or future domiciles or for any other reason. The invalidity, illegality or unenforceability of one or more provisions of this Agreement shall in no way affect the validity and enforceability of the remaining provisions of this Agreement. In any suit, action or proceeding between the parties relating to this Agreement, the Seller party shall be entitled to reimbursement of all legal fees, expenses and costs.

24.- HEADINGS

Headings are inserted for convenience of reference only and may not be considered in the interpretation of this Agreement.

See 2020.8