

MARQUARDT MEXICO, S. DE R.L. DE C.V.

PURCHASE TERMS & CONDITIONS

These purchase terms and conditions apply to all the purchases of goods and/or services that MARQUARDT MEXICO, S. de R.L. de C.V. (hereinafter "MARQUARDT MEXICO") makes and/or performs from any Mexican or foreign (non Mexican) supplier of goods and/or services (the "Supplier") as well as to the sales of goods and/or rendering of services that any Mexican or foreign (non Mexican) Supplier makes and/or performs to MARQUARDT MEXICO, unless otherwise expressly agreed in writing with the seller and/or the services provider.

1. The Supplier's signature or acceptance, including among others through a representative, attorney-in-fact, factor or dependant, in or to any MARQUARDT MEXICO purchase order and/or any other document related with the purchasing of goods and/or services by MARQUARDT MEXICO shall be understood as a simple and full unconditional acceptance of these terms and conditions. Likewise, Supplier accepts and agrees that these terms and conditions shall apply to any and all purchase of goods and/or services between MARQUARDT MEXICO and a Supplier. Additionally, due to the simple fact that a Supplier accepts any purchase order of MARQUARDT MEXICO, performs any act which purpose is the fulfillment of a purchase by MARQUARDT MEXICO and/or delivers goods and/or render services to MARQUARDT MEXICO, Supplier shall have unconditionally and expressly accepted and consented for all legal purposes these terms and conditions.

2. Any modification or amendment to these terms and conditions shall be evidenced in writing. The parties agree that, these terms and conditions shall prevail over any other prior agreement and/or understanding, written or oral, executed between them with respect to any purchase of goods and/or services by MARQUARDT MEXICO. In case of discrepancy between these purchase terms and conditions and a MARQUARDT MEXICO's purchase order, MARQUARDT MEXICO's purchase order shall prevail only to the extent of such discrepancy.

3. Once seller and/or services provider has accepted any purchase order and/or any other document related with the purchasing of goods and/or services by MARQUARDT MEXICO: (a) MARQUARDT MEXICO shall have the right to, at any moment partially or totally cancel it by giving a simple written notice to Supplier, and (b) Supplier shall not be entitled to cancel it, totally or partially, without the prior written consent of MARQUARDT MEXICO.

4. After Supplier has accepted any purchase order and/or any other document related with the purchasing of goods and/or services by MARQUARDT MEXICO, it shall be understood and presumed for all legal purposes, that seller and/or services provider does not need nor require additional information and/or documents from MARQUARDT MEXICO. All communications, notifications and claims of Supplier to MARQUARDT MEXICO shall be in writing. Additionally, the Parties agree that the electronic data interchange shall be also a valid means of communication among them.

5. In the event that Supplier does not timely deliver, partially or totally, any good and/or service to MARQUARDT MEXICO derived from a MARQUARDT MEXICO's purchase of goods and/or services, MARQUARDT MEXICO might, enunciatively but not in a limited manner and without responsibility, reject any reception of the goods and services and not pay them in addition to any other right and/or action that MARQUARDT MEXICO may have in accordance with these terms and conditions and the applicable legislation. The parties agree that any delivery date of any good and/or services is of extreme importance to MARQUARDT MEXICO. Without limiting the responsibility of Supplier, it shall inform in writing to MARQUARDT MEXICO within two calendar days with respect to any fact and/or circumstance which it is aware of that may delay the delivery of the good and/or service. The Supplier accepts that any delivery forecast and/or calendar issued by MARQUARDT MEXICO with respect to the purchase of goods and/or services shall be binding for Supplier. In case of delay in the delivery of the goods and/or rendering of the services by Supplier, only as a delay penalty in the fulfillment of such obligation and not as an indemnification penalty, Supplier shall pay MARQUARDT MEXICO a daily conventional penalty for the delay in the fulfillment of such obligation equivalent to 0.25 (cero point twenty five percent) of the value of the goods and/or services in question.

6. All prices of Mexican Suppliers include and shall already include the respective value added tax (hereinafter the "VAT"). Likewise, all prices include and shall include proper wrapping and packaging and all compensations that Supplier shall be entitled to. Supplier expressly accepts that, if applicable, MARQUARDT MEXICO will make all tax withholdings in accordance to Mexican law. Except that the parties agree otherwise in writing MARQUARDT MEXICO shall have ninety calendar days starting from the effective reception of the good and/or service to pay the same, including if applicable its VAT to seller and/or services provider.

7. Supplier expressly waives its right to compensate (set-off) any amount that MARQUARDT MEXICO may owe seller and/or services provider due to any concept.

8. Unless a MARQUARDT MEXICO's Purchase Order foresees otherwise, the parties agree that Supplier shall deliver any good already unloaded and/or any service at MARQUARDT MEXICO's domicile located at Calle Río Danubio No. 845, Col. Parque Tecno Industrial Castro del Río, C.P. 36810, Irapuato, Guanajuato, México, United Mexican States within three calendar days following the date in which MARQUARDT MEXICO requests so. Supplier shall be responsible and shall be in its account, enunciatively but not in a limited manner, the loading, unloading and transportation of any good and merchandise, as well as for any other expense required and generated for the delivery and transportation of any good and/or for the rendering of any service.

9. Without prejudice of numbers 11 and 12 below, the risk of any good or merchandise sold to MARQUARDT MEXICO, including, enunciatively but not limited, derived from the loss and/or deterioration even in the event of *force majeure* or an Act of God, shall pass to MARQUARDT MEXICO until the moment MARQUARDT MEXICO physically and effectively receives it. In case of sales by a foreign (non Mexican) Supplier, such Supplier shall deliver all goods to MARQUARDT MEXICO to the above mentioned address DDP (*Delivered Duty Paid*) Incoterms 2010.

10. Except if the parties agree otherwise in writing, the price of any good includes if applicable its full installation, the above without additional charge to MARQUARDT MEXICO.

11. The parties agree that MARQUARDT MEXICO has twenty four months starting from the reception of the good and/or service to claim Supplier any shortage of goods and/or services sold and/or rendered to MARQUARDT MEXICO. Additionally, MARQUARDT MEXICO shall have six years starting from the reception of the good by MARQUARDT MEXICO and/or of the rendering of the service in question to claim from Supplier any lack of quality, inherit and/or interior vices and/or defects of the goods and/or services that MARQUARDT MEXICO acquires or purchases. The goods and/or services sold or rendered to MARQUARDT MEXICO shall comply with all applicable laws and norms, with the most good engineering practices and standards, as well as with the specifications agreed by the parties or in their absence with the higher quality standards and suitable for their purpose (hereinafter the "Specifications"). In case the goods and/or services do not comply with the laws, norms and/or agree specifications, or in case of breach by Supplier to any of its obligations, the Supplier shall be responsible of all damages and liabilities derived and caused there from.

That is, the parties agree and consent to extent the terms to claim foreseen in article three hundred and eighty three of the Commercial Code as foreseen in the above preceding paragraph.

Not in a limited manner, Supplier shall be obligated at its own cost and charge to make all repairs and/or replacements of the goods and/or services that have not complied or that do not comply with the Specifications, the above in a term of three calendar days after the date in which it receives the respective claim from MARQUARDT MEXICO, the above without prejudice that MARQUARDT MEXICO can in addition claim damages and liabilities due to such reason.

It is understood that any claim of MARQUARDT MEXICO may imply, but shall not necessarily imply, the return of the goods to Supplier.

As additional obligation, Supplier shall maintain for a ten year term starting from the date of reception by MARQUARDT MEXICO of the good and/or service in question, a civil responsibility or product liability insurance for an adequate amount to cover its responsibilities arising there from.

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12. The parties agree that all goods and/or services that Supplier sells and/or renders to MARQUARDT MEXICO are and shall be warranted against all defects (including but not being restrictive in material, processes and/or workmanship), not conformity with the Specifications, vices and/or mis-functioning for a minimum term of six years starting from the reception of the good and/or service in question by MARQUARDT MEXICO.

13. The parties expressly agree to limit MARQUARDT MEXICO's responsibility for losses, damages and liabilities resulting and/or derived and/or consequence of one or more MARQUARDT MEXICO's non fulfillment or breach to its obligations derived from any purchase of goods and/or services, to the maximum accumulated amount of five hundred times the general minimum wage in force in the Federal District.

14. The parties agree that MARQUARDT MEXICO may assign partially or totally any right and/or obligation derived from any purchase of goods and/or services to any third party by giving a simple notice in writing to Supplier with at least five calendar days in advance to the effective assignment date. Supplier may not assign, neither partially or totally, any right or obligation derived from any sale of goods and/or services to MARQUARDT MEXICO, without the previous written authorization from the latter. Likewise, Supplier shall not subcontract its obligations without the prior written consent of MARQUARDT MEXICO.

15. The parties agree that if MARQUARDT MEXICO breaches any of its obligations derived from any purchase of goods and/or services, in each occasion, Supplier agrees to give written notice to MARQUARDT MEXICO in order for the latter to cure or remedy such breach within a term of ninety calendar days from the reception of the respective notice. If during this term MARQUARDT MEXICO does not cure or remedy such breach, Supplier shall have the right to rescind the sale of the goods and/or the rendering of the services in question but without prejudice of the limitation of liability foreseen in number 13 above.

16. The parties agree that if Supplier breaches any of its obligations, MARQUARDT MEXICO shall have the right to rescind the respective purchase and/or rendering of services by giving a simple written notice to Supplier with at least five calendar days in advance as of the effective termination date, the above without responsibility and without the need of judicial resolution.

17. Supplier shall not use the industrial and/or intellectual property of MARQUARDT MEXICO, unless if applicable for purposes of selling and/or rendering services to MARQUARDT MEXICO. Supplier shall not infringe in any manner the industrial or intellectual property rights of third parties.

18. Unless the parties agree otherwise in writing, any purchase order issued by MARQUARDT MEXICO, shall only foresee what it is expressly there in stated. Any additional cost and/or expense not expressly foreseen in an agreement executed by MARQUARDT MEXICO and/or purchase order of MARQUARDT MEXICO related to the purchase of goods and/or services by MARQUARDT MEXICO shall be at Supplier's exclusive charge.

19. Supplier shall consider all information and documents received from MARQUARDT MEXICO, regardless the media in which the same is received, as confidential information and commercial secret property of MARQUARDT MEXICO, and shall take all necessary acts to avoid its disclosure to third parties. This confidentiality obligation shall continue in force even after termination or rescission of any purchase of goods and/or services by MARQUARDT MEXICO.

20. During all time, Supplier shall comply with all applicable laws and regulations, including not in an exhaustive manner any anticorruption laws, as well as any Code of Conduct of MARQUARDT MEXICO which can be found on <https://us.marquardt.com/meta-footer/downloads/>

21. The commercial laws of the United Mexican States shall apply in a supplement manner. In case of any international purchase and sale, including in case of a foreign (non Mexican) Supplier, the parties agree to exclude the

application of the United Nations Convention on Contracts for the International Sales of Goods.

22.1 For the interpretation and in case of a dispute and/or controversy derived from any purchase of goods and/or service made by MARQUARDT MEXICO to any Mexican Supplier, the parties expressly submit themselves to the jurisdiction and competent Courts of Irapuato, Guanajuato, United Mexican States, expressly waiving their rights to any other jurisdiction and competence that may correspond them due to their present or future domiciles or due to any other cause.

22.2 For the interpretation and in case of a dispute and/or controversy derived from any purchase of goods and/or service made by MARQUARDT MEXICO to any Supplier (non Mexican Supplier), the parties expressly submit themselves to the jurisdiction and competent Courts of Irapuato, Guanajuato, United Mexican States or to the competent Court of the domicile of the foreign Supplier (non Mexican Supplier) at the election of any of the parties, expressly waiving their rights to any other jurisdiction and competence that may correspond them due to their present or future domiciles or due to any other cause.

23. These terms and conditions exclude and prevail, if applicable, over any terms and conditions of Supplier in any other document, including enunciatively but not limited in any sales order, any invoice and/or any similar document.

March 2019