

TERMS & CONDITIONS OF PURCHASE

1. Entire Agreement / Acceptance:

Except as may otherwise be specifically provided in writing signed by the company issuing this purchase order (hereinafter the "Buyer"), the details of this purchase order (hereinafter the "Order") as written on the front hereof and these conditions shall constitute the entire agreement between Buyer and Seller (the company or individual to which this Order is addressed hereafter the "Seller") and any terms or conditions contained in Seller's quotation and/or Seller's acknowledgment or Seller's acceptance to this Order shall not be binding upon Buyer. This Order is not subject to cancellation or change except in writing signed by Buyer. These terms and conditions will apply to the purchase of the goods and/or services (the "Products") covered by this Order. Seller's written acknowledgment, commencement of work, delivery of the Products and/or omission of Seller's rejection in writing within the following five (5) business days after Seller receipt of this Order shall constitute acceptance of these terms and conditions. This Order may not be assigned by Seller without written consent of Buyer. Any attempt to do so shall make such assignment void and Buyer may be entitled to cancel this Order without any liability or penalty of any kind.

2. Pricing Terms:

Buyer shall be obligated to pay only the prices and other charges (including all taxes which Seller is to collect from Buyer) stated in this Order, or Seller's current price to any other customer of Seller for similar goods or services, whichever is lower at the date of shipment. When prices are not stated, the prices charged shall not exceed those charged on the last invoice to Buyer of the same goods or services or Seller's current price for such goods or services if lower than that charged on such last invoice. All trade credits, expert credits, customers, drawbacks and rebates belong to Buyer. Sales or Use taxes as used on this Order shall mean any taxes imposed by State or local taxing authorities upon the sale, use or consumption of the goods or services ordered herein. It is agreed and understood that all prices include Federal Sales Tax and Import Duties where applicable. Prices shall include all packaging, shipping, prepaid carriage freight and/or postage charges and taxes as applicable. Buyer may withhold or offset from any payment due to Seller any amount as to which a bona fide dispute exists under this Order or arising out of any other transaction with Seller. Cash discount period will be computed either from the date of delivery and acceptance of the goods ordered or the date of receipt of correct and proper invoices, prepared in accordance with the terms of Buyer's order whichever is later.

3. Modification of Purchase Orders:

None of the terms and conditions contained in this purchase order may be added to, modified, superseded or otherwise altered except in writing which is signed by an authorized representative of Buyer's purchasing department, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice or other form of seller and notwithstanding Buyer's acceptance of or payment for any goods.

4. Seller's Warranties:

(a) Unless otherwise provided in this Order, Seller warrants the Products to Buyer for one (1) year from the date of delivery, in all of its parts and components for manufacturing defects, functioning and/or hidden defects. If any Product or any part thereof deemed defective, Buyer may return the same to Seller's expense, for its repair and/or replacement, as the case may be; (b) Seller expressly warrants that the Products covered by this Order will conform to the specifications, drawings, samples or other description furnished by Buyer, will be merchantable of good material and workmanship, free from defect, fit and sufficient for Buyer's intended use and of good title delivered free of any lien or encumbrance of any kind. Buyer reserves the right to accept or reject any and all Products in breach of any such warranties and to hold Seller liable for any and all damages resulting from such breach; (c) Except with Products produced exactly from Buyer's designs, Seller warrants that the Products, and the sale or use of them will not infringe or contribute to the infringement of any intellectual property right of any third party, including without limitation any patent, trademark, copyright or other proprietary right, and Seller agrees to defend, indemnify and hold harmless Buyer, its subsidiaries, affiliates, representatives, successors, assignees, customers and users of the Products against any claim, liability or lawsuit in connection thereto, including without limitation from any direct, indirect and consequential damages, claims and demands for actual or alleged infringement of any intellectual property right related to the Products; (d) Whether this Order refers to goods or to services, Seller represents and warrants that the Products and performance of its obligations hereunder shall be in compliance with all applicable laws, codes, regulations, rules and ordinances, and further agrees to give immediate notice if any product, materials or the like furnished hereunder fails to comply with applicable statutes, regulations and by-laws of any federal, provincial or municipal authority; and (e) All warranties of Seller shall survive delivery of the Products and shall not be deemed waived either by reason of inspection and/or acceptance of said goods or services or by the payment therefore by Buyer.

5. Inspection and Approval:

Seller agrees that Buyer and Buyer's customers shall have the right to enter Seller's facility at reasonable times at no charge to Buyer to inspect the facility, goods, materials and any property of Buyer related with the supply of Products covered by this Order. Buyer's inspection of the Products whether during manufacture, prior to delivery or within a reasonable time after deliver, shall not constitute acceptance of any work-in-process or finished Products and will not relieve Seller of any liability or obligation. Unless otherwise specified, all goods and/or work furnished hereunder will be subject to final inspection and acceptance or rejection by Buyer within a reasonable time after delivery, irrespective of date of payment. Therefore, the Buyer will upon written notice to Seller, hold any rejected goods at Seller's risk pending Seller's instructions and upon Seller's failure to furnish Buyer with instructions within a reasonable time, Buyer may return them to Seller at Seller's expense.

6. Delivery Terms:

Seller shall deliver the Products in the terms set forth on this Order. Seller shall pack and ship the Products in accordance with the delivery instructions in this Order as provided by Buyer or in accordance with the best commercial packaging available. Unless otherwise agreed in this Order, all shipments and deliveries of Products shall be made at Buyer's facilities indicated in this Order. Delivery shall be deemed complete and title and risk of loss shall transfer when Products are received in good order at Buyer's facilities. For deliveries which destination is different to Buyer's facilities, delivery shall be deemed complete and title and risk of loss shall transfer when the Products are received in good order at the point of delivery.

Delivery of a quantity which varies by more than ten (10%) percent from the quantity specified will constitute nonperformance of this Order and Buyer will be entitled to cancel the same without any liability or penalty of any kind. Delay in delivery of one installment will entitle Buyer to cancel any other installment without any liability or penalty of any kind. Unless otherwise provided in this Order, Seller will bear all costs of delivery, including shipping and insurance charges, duties, taxes and other charges. Seller shall furnish to Buyer all shipping documents, indicating Buyer's Order number, description of Products, part number and quantity shipped on all packages and documents. Seller represents and warrants that it will classify, describe, package, mark, label, provide material safety data sheets, and otherwise pack and ship the Products in compliance with all laws, regulations, ordinances and orders. No additional costs will be charged to Buyer for packing, boxing or cartage, unless agreed upon at the time of purchase. Damage to any goods not packed to insure proper protection, will be charged to Seller. Buyer reserves the right to accept or reject any and all Products delivered and services performed if Seller ships or renders non-conforming or damaged goods or services and Buyer has the right to cancel this Order and hold Seller liable for any and all damages resulting therefrom. Notwithstanding any provision stated in the contrary in the Mexican Commerce Code, Buyer will have a period of 30 (thirty) working days counted as of the corresponding delivery date to make a claim in regards to the quantity and conditions of delivery of the Products and/or Services. The foregoing without prejudice to the Buyer's right to exercise his right to claim for defective Products and/or Services in accordance with the provisions of this Order.

If Seller fails or refuses to proceed with this Order or fails to deliver the Products or perform the services within the delivery dates and times specified in this Order, other than by reason of an excusable delay, Buyer has the right, in addition to any other rights provided by law, to cancel the remaining balance of the Order and to place this Order elsewhere at Seller's expense and to hold Seller liable for any costs or losses incurred, as well as for any other damages. In addition, if Seller fails to meet the delivery dates or times of the Products, other than by reason of an excusable delay, Buyer may, without limiting or affecting its other rights or remedies available hereunder or at law, direct expedited shipment and/or incur premium freight or transportation costs, and Seller shall pay upon demand all excess costs incurred thereby, including additional handling charges and other expenses (whether related or not) resulting therefrom. Seller shall be responsible for all damages incurred by Buyer as a result of Seller's failure to meet the delivery dates or times, other than by reason of an excusable delay, including the cost of any line shutdown and the cost of obtaining goods from an alternate source.

7. Cancellation:

Buyer reserves the right to cancel this Order, or any part thereof, at any time, even if the Seller is not in default hereunder, by giving written notice to the Seller. In the event of such cancellation, Buyer shall pay for all goods delivered and services completed and an equitable settlement shall be arrived at for cost incurred by Seller for goods and materials in process, not to exceed the total committed quantity and/or price specified in this Order. Upon receipt of any notice of cancellation hereunder, Seller shall, unless otherwise directed, immediately discontinue all work in progress and immediately cancel all orders or subcontracts given or made in respect of this Order. Exercise by the Buyer of the right of cancellation reserved in this paragraph shall give rise to no liability on the part of the Buyer except as specified in this paragraph, it shall not have the effect of waiving damages to which the Buyer might otherwise be entitled. Likewise, Buyer may cancel this Order immediately upon written notice to Seller, without liability or further obligation: (i) if Seller breaches any term or condition hereunder; (ii) if Seller fails or refuses to furnish Buyer promptly with such assurances and information as Buyer may request, from time to time, about Seller's financial and operating conditions and ability to supply goods under this Order, and (iii) in the event of Seller's insolvency, the filing of a voluntary or involuntary petition in bankruptcy, the appointment of a receiver or trustee for Seller, Seller's execution of an assignment for the benefit of creditors or any comparable event. If Buyer elects to cancel this Order, Buyer shall have the option to take any goods or services included in this Order, whether furnished or in process, upon such terms as Buyer and Seller may then agree upon.

8. Labor liability:

Seller will use the human and material elements that it requires and judges necessary for the full fulfillment of its obligations under this Order and under its subordination. Both parties expressly agree that there is no employment relationship between the Buyer and Seller or between Buyer and the subordinate personnel under Seller's orders, as there is no bond of dependence between the Buyer and Seller or their subordinates. By virtue of the foregoing, the employees, workers and other personnel involved in the manufacture of the Products will depend exclusively on the Seller being the only true employer and cannot in any way be considered as an intermediary under the terms of the Federal Labor Law since has its own resources to meet the labor obligations it may have. Seller shall comply with all legal and contractual obligations arising from its individual or collective labor contracts. Consequently, any liability that arises due to accident or occupational diseases of the aforementioned personnel, as well as any other labor or IMSS type, will be entirely in charge of Seller.

9. Risk of Loss & Product Liability Insurance:

Whenever Seller shall have in its possession property of Buyer, or of its customer(s), Seller shall bear all cost and risk of loss, including damage in transit, and shall be deemed an insurer thereof. Seller shall carry insurance to adequately protect Buyer's property and shall provide Buyer with a certificate evidencing such insurance. Seller agrees to obtain and maintain, at its expense, Product Liability Insurance (including for workers' compensation, products liability, public liability, contractual and product liability). If so requested by the Buyer, Seller shall make an Endorsement naming Buyer as an additional insured, in such amounts and with such companies and containing such other provisions as shall be satisfactory to Buyer, covering goods sold to Buyer hereunder. Such insurance shall provide that the coverage thereunder shall not be terminated without at least thirty (30) days prior written notice to Buyer.

Seller shall provide Buyer upon request with a Certificate of Insurance and a copy of such Seller's Endorsement.

10. Indemnification:

Seller agrees to indemnify, defend and hold harmless Buyer, its subsidiaries, affiliates, representatives, successors, assignees, from and against any and all claims by or on behalf of any persons, firms or corporations, arising from the conduct or management of, or from any work or thing whatsoever done under this Order and will further indemnify and save Buyer, its subsidiaries, affiliates, representatives, successors, assignees, harmless against and from any and all claims arising from any breach or default on the part of the Seller in the performance of any covenant or agreement, on the part of the Seller to be performed pursuant to the terms of this Order, arising from any act or omission of the Seller, or any of its agents, contractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm or corporation, and from and against all costs, counsel fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding be brought against Buyer by reason of any such claim, Seller, upon notice from Buyer, covenants and agrees to defend such action or proceeding, at its own cost and expense, by counsel reasonably satisfactory to Buyer.

11. Disclaimer of Liability:

Seller's exclusive remedy against Buyer, for any reason, shall be limited to Buyer's purchase price as set forth in this Order. In no event shall Buyer have any liability for incidental or consequential damages.

12. Intellectual Property:

Unless otherwise agreed in writing by Buyer, Buyer shall retain all right, title and interest in and to, all its proprietary technology, including but not limited to, all copyright, patent, trade secret and other intellectual property rights associated with any ideas, concepts, methods, processes, techniques, inventions or works of authorship developed: (i) by Buyer; (ii) by a third party for the benefit of Buyer; and/or (iii) by Seller for the benefit of Buyer, including, without limitation, any Tooling or other item used by Seller to create products for Buyer (the "Intellectual Property"). Seller shall take such further actions, including the execution and delivery of instruments of conveyance, as may be reasonably requested by Buyer, to give full and proper effect to the provisions of this paragraph.

13. Confidentiality:

Except as necessary to perform this Order, as required by law and with prior written notice to Buyer, or with Buyer's prior written consent, Seller will, at all times, keep confidential all information, drawings, specifications and data of any kind or nature furnished by Buyer (whether in writing, electronically, orally, or visually) or derived or developed by Seller therefrom in the course of performing this Order. Seller will not disclose such confidential information, use it for its own benefit or for the benefit of any other party, or copy it or permit copies to be made. These confidentiality obligations will not apply to information obtained by Seller from a third party lawfully entitled to disclose it who is not bound by confidentiality, or to information that enters into the public domain other than through disclosure by Seller. Seller will not publish or advertise the existence or nature of this Order without Buyer's prior written consent.

14. Termination upon seller's default or change of control.

(a) Buyer may terminate this Order, in whole or part, for default hereunder occasioned by Seller by prior notice given for such purposes to Seller; (b) Buyer may terminate this Order, in whole or part, in the event of a change of control of Seller. For the purpose of this Order, a "change of control" includes: (i) any sale, lease or exchange of a substantial portion of Seller's assets used in connection with Seller's performance of its obligations under this Order; (ii) any sale or exchange of a sufficient number of shares of Seller, or (iii) the execution of a voting or other agreement of control in respect of Seller, or of any affiliate that controls Seller. Seller shall notify Buyer in writing within (10) days of any change of control of Seller, and Buyer may elect to terminate this Order by giving written notice to Seller at any time up to sixty (60) days after Buyer's receipt of Seller's notice of change of control. (c) Any termination under this Section shall be without liability to Buyer, except for Products delivered or services performed by Seller and accepted by Buyer.

15. Governing Law and Jurisdiction:

The parties expressly submit themselves to the Jurisdiction of the Courts sitting in the City of Monterrey, State of Nuevo Leon, Mexico for the interpretation, execution and enforcement of this purchase order, expressly waiving to any other jurisdiction that by reason of their present of future domiciles, or because of any other cause, the parties may be entitled to. This purchase order shall be governed by the laws of the United Mexican States. If Seller fails to perform any of its obligations, Seller shall pay Buyer all costs and expenses incurred by Buyer, including all attorneys' fees, in enforcing Buyer's rights, whether by formal proceedings or otherwise, in addition to any other remedy available to Buyer. In no event will the provisions of the U.N. Convention on the International Sale of Goods apply to this Order.

