

Terms and Conditions

1. Complete Terms:

This order is the complete and exclusive statement of the agreement between Hi-Lex Mexicana, SA de CV and Seller. Seller shall accept these terms in writing or by beginning work hereunder. Any additions or modifications proposed by Seller are expressly rejected by Hi-Lex Mexicana, SA de CV and are not part of the agreement in the absence of an agreement in writing signed by an authorized representative of H Lex Mexicana, SA de CV. THE ORDERS ACKNOWLEDGEMENT MUST BE SEND TO HI-LEX MEXICANA, SA DE CV IMMEDIATELY.

2. Assignment:

Seller shall not assign, subcontract or delegate any of its substantive duties or performance under this order without the prior written consent of Hi-Lex Mexicana, SA de CV. Any sale or other transfer of stock or other securities of Seller that would result in a change in control of Seller shall be deemed an assignment under this order. ff H Lex Mexicana, SA de CV approves Seller's subcontracting of any of the work under this order, Seller will ensure that the subcontractor agrees to be bound by the terms and conditions of this order. Hi-Lex Mexicana, SA de CV may freely assign to any third party its rights and obligations under this order.

3. Termination for Convenience:

In addition to any other rights of Hi-Lex Mexicana, SA de CV may at its option, previous notice with ten days, terminate all or any part of this order at any time and for any reason by given written notice to Seller. Upon receipt of notice of termination pursuant to this Section, Seller, unless otherwise directed in writing by Hi-Lex Mexicana, SA de CV, shall (i) terminate immediately all work under this order, (ii) transfer title and deliver to Hi-Lex Mexicana, SA de CV the finished work, the work-in-process, and the parts and materials which Seller produced or acquired in accordance with this order and which Seller cannot use in producing goods for itself or for others; (iii) settle all claims by subcontractors approved by Hi-Lex Mexicana, SA de CV hereunder, if any, for reasonable actual costs that are rendered unrecoverable by such termination; (iv) take actions reasonably necessary to protect property in Seller's possession in which Hi-Lex Mexicana, SA de CV has an interest and (v) upon Hi-Lex Mexicana, SA de CV request, cooperate with Hi-Lex Mexicana, SA de CV in effecting the resourcing of Seller's goods and/or services covered by this order to a different supplier designated by Hi-Lex Mexicana, SA de CV. Upon termination by Hi-Lex Mexicana,

SA de CV under this Section, Hi-Lex Mexicana, SA de CV shall pay to Seller the following amounts without duplication: (i) the purchase order price for all finished work and completed services which conform to the requirements of this order and not previously paid for, (ii) Seller's reasonable actual cost of the work-in-process and parts and materials transferred to Hi-Lex Mexicana, SA de CV in accordance with subsection (B) (ii) hereof; (iii) Seller's reasonable actual cost 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 obligations under subsection (B)(iv) and (v). Hi-Lex Mexicana, SA de CV shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for any other alleged losses or costs, whether denominated as loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, general and administrative burden charges resulting from termination of this order or otherwise. Notwithstanding anything herein to the contrary, Hi-Lex Mexicana, SA de CV obligation to Seller upon termination under this Section shall not exceed the obligation Hi-Lex Mexicana, SA de CV would have had to Seller in the absence of termination. Within ten (10) days after the effective date of termination under this Section, Seller shall furnish to Hi-Lex Mexicana, SA de CV its termination claim, together with all supporting data which shall consist exclusively of the items of Hi-Lex Mexicana, SA de CV obligation to Seller that are listed above. Hi-Lex Mexicana, SA de CV may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim.

In the event of termination under this Section, Seller shall only be entitled to the reasonably calculated contract price for finished Goods and work-in-process at the time of termination. Under no circumstances shall Hi-Lex Mexicana, SA de CV be liable for Seller's anticipated profits, unabsorbed overhead, product-development and engineering costs, facilities and equipment rearrangement costs, or exit charges (Exit Costs), or any other indirect damages.

4. Duration:

If the Goods under this Purchase Order are used in an automotive program, the duration of this Purchase Order shall be the life of that vehicle program, including model refreshes and any period during which Hi-Lex Mexicana, SA de CV will provide service or replacement parts incorporating the Goods. Seller must maintain sufficient production capacity to satisfy Buyer's required quantities throughout the Term.

5. Changes:

Hi-Lex Mexicana, SA de CV reserves the right at any time to direct changes, or cause Seller to make changes, to the design (including drawings and specifications) processing, methods of packing and shipping and the date or place of delivery of the goods covered by this order or 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, and Seller agrees to promptly make such changes. Any such changes shall be deemed not to affect the time for performance or cost unless Seller notifies Hi-Lex Mexicana, SA de CV in writing within ten (10) days of receipt by Seller of notice of any change order. Seller shall not make any change in this order without the written approval of Hi-Lex Mexicana, SA de CV. Seller shall consider and advise Hi-Lex Mexicana, SA de CV of the impact of a design change on the system in which the product covered by this order is used. Nothing in this Section shall excuse Seller from proceeding with the order as changed. Seller shall not make any change in this order without the written approval of Hi-Lex Mexicana, SA de CV. In addition, without Hi-Lex Mexicana, SA de CV prior written approval, Seller shall not change (i) any third party supplier to Seller of services, raw materials or goods used by Seller in connection with its performance under this order, (ii) the facility from which Seller or such supplier operates, or (iii) the nature, type or quality of any services, raw materials or goods used by Seller or its suppliers in connection with this order.

6. Supplier Quality Manual:

Is mandatory for "The Supplier" meet all requirements by HI-LEX MEXICANA SA DE CV through the Supplier Quality Manual which you can see in the following link:
https://www.hi-lex.com.mx/en/_files/ugd/65ee20_396fe838a9974b02b0d2b9e1c3aa9be4.pdf

7. Inspection:

Hi-Lex Mexicana, SA de CV shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and any property of Hi-Lex Mexicana, SA de CV covered by this order. Hi-Lex Mexicana, SA de CV inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods.

8. Prices:

The prices placed on this order must be understood as fixed prices. In the case of price increases, the Seller must present to Hi-Lex Mexicana, SA de CV a complete and sustainable

information (statistics, historical data, etc) regarding the increase. Otherwise, the increase is not going to apply. The Seller must not put in risk the deliveries due price increase are under negotiations, but if the Seller has delays on its deliveries to Hi-Lex Mexicana, SA de CV, the clause 9 mentioned below must be applied. All price modifications must be done and accepted with written approval from Hi-Lex Mexicana, SA de CV.

9. Delivery Schedules:

Deliveries shall be made both in quantities and at times specified herein or on written fabrication and shipping releases, which shall be furnished by Hi-Lex Mexicana, SA de CV. Time and quantity of delivery are of the essence of this order. Hi-Lex Mexicana, SA de CV may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price of goods or services covered by this order. Premium shipping expenses and/or other related expenses necessary to meet delivery schedules shall be Seller's sole responsibility. Unless otherwise agreed in writing, delivery shall not have occurred and the risk of loss shall not have shifted to Hi-Lex Mexicana, SA de CV until the goods or tooling or equipment have been delivered to Hi-Lex Mexicana, SA de CV applicable facility and have been accepted at that facility. Unless Hi-Lex Mexicana, SA de CV order for goods to be delivered hereunder specifically provides that Seller shall produce one hundred percent (100%) of Hi-Lex Mexicana, SA de CV requirements for the goods, Hi-Lex Mexicana, SA de CV shall have the right to obtain a portion of such goods from another third party source or from Hi-Lex Mexicana, SA de CV internal sources.

10. Shipping and Labeling:

Seller agrees to properly pack, mark, label and ship goods in accordance with the requirements of Hi-Lex Mexicana, SA de CV as set forth in Hi-Lex Mexicana, SA de CV Supplier Guide or as otherwise communicated to Seller. Seller shall obtain and maintain at its sole expense insurance coverage as reasonably requested by Hi-Lex Mexicana, SA de CV with such insurance carriers and in such amounts as are reasonably acceptable to Hi-Lex Mexicana, SA de CV. Seller shall furnish to Hi-Lex Mexicana, SA de CV certificates of insurance setting forth the amount of coverage, policy number and date(s) of expiration for insurance maintained by Seller and such certificates must provide that Hi-Lex Mexicana, SA de CV shall receive thirty (30) days prior written notification from the insurer of any termination or reduction in the amount or scope of coverages. All invoices and/or advanced shipping notices ('ASN') for material shipped pursuant to this order must reference the order number,

amendment or release number, Hi-Lex Mexicana, SA de CV part number, Seller's part number where applicable, quantity of pieces in shipment, number of cartons or containers, Seller's name and number, and bill of lading number, before any payment will be made for material by Hi-Lex Mexicana, SA de CV. Hi-Lex Mexicana, SA de CV reserves the right to return all invoices or related documents submitted incorrectly, and payment terms will be determined as of the date of the correct invoice or ASN received. THE MATERIAL IS NOT GOING TO BE RECEIVED WITH REMISSIONS.

11. Warranty and Quality: Goods are warranted to strictly comply with the designated specifications, drawings, and samples, and be free from defects in design, material, and manufacture. For Goods incorporated into vehicles, the warranty period shall be the longest of (i) 36 months after the initial registration of the end product, (ii) the period provided by applicable law, or (iii) the warranty period offered by Buyer's customer to end-users. Seller warrants that the Goods shall comply with these terms throughout the warranty period.

12. Warranty and Indemnification:

Seller expressly warrants that all goods and services covered by this order will conform to the specifications, drawings, samples or descriptions furnished to or by Hi-Lex Mexicana, SA de CV and/or Mexican and U.S. industry standards, and all laws and regulations in force in countries where products or vehicles equipped with such products are to be sold and will be merchantable, of good material and workmanship and free from defects. In addition, Seller acknowledges that Seller knows of Hi-Lex Mexicana, SA de CV intended use and expressly warrants that all goods covered by this order which have been selected, designed, manufactured or assembled by Seller, based upon Hi-Lex Mexicana, SA de CV intended use, will be fit and sufficient for the particular purpose intended by Hi-Lex Mexicana, SA de CV. Such warranty will be effective for the longer of (i) the period provided by applicable law, or (ii) the warranty period provided by Hi-Lex Mexicana, SA de CV to its customers; provided, however, in the case of any recall campaign or other customer satisfaction or corrective service action undertaken by Hi-Lex Mexicana, SA de CV or its customers, the warranty shall continue for such time period as may be dictated by Hi-Lex Mexicana, SA de CV customer or the federal, state, local or foreign government where the goods are used or the services provided. The warranty period for non-production goods shall be the longer of one (1) year after final acceptance by Hi-Lex Mexicana, SA de CV or the period stated in Seller's sales materials. Seller hereby covenants and agrees to indemnify and hold Hi-Lex Mexicana,

SA de CV, its directors, officers and employees harmless from any claims, liabilities, damages, **chargebacks, set-offs** (including special, consequential, punitive and exemplary damages), costs and expenses (including reasonable attorney fees) incurred in connection with any claims (including lawsuits, administrative claims, regulatory actions and other proceedings to recover for personal injury or death, property damage or economic losses) that are related in anyway to or arise in anyway from Seller's representations, performance of obligations under this order, **or the delivery of non-conforming Goods**, including claims based on Seller's breach or alleged breach of warranty (whether or not Seller's goods or services have been incorporated into Hi-Lex Mexicana, SA de CV products and/or resold by Hi-Lex Mexicana, SA de CV), and claims for any violation of any applicable law, ordinance or regulation or government authorization or order. Seller's obligation to indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise, except to the extent of any such liability arising out of the sole negligence of Hi-Lex Mexicana, SA de CV. Hi-Lex Mexicana, SA de CV, at its option, may reject and return at Seller's risk and expense, or retain and correct, goods received pursuant to this order that fail to conform to the requirements of this order even if the nonconformity does not become apparent to Hi-Lex Mexicana, SA de CV until the manufacturing or processing stage. To the extent Hi-Lex Mexicana, SA de CV rejects goods as nonconforming, the quantities under this order will not be reduced by the quantity of nonconforming goods unless Hi-Lex Mexicana, SA de CV otherwise notifies Seller in writing. Seller will replace nonconforming goods with conforming goods unless otherwise notified in writing following Hi-Lex Mexicana, SA de CV procedures. Nonconforming goods will be held by Hi-Lex Mexicana, SA de CV for disposition in accordance with Seller's written instructions at Seller's risk. Seller's failure to provide written instructions within ten (10) days (or such shorter period as may be commercially reasonable under the circumstances) after notice of nonconformity shall entitle Hi-Lex Mexicana, SA de CV, at Hi-Lex Mexicana, SA de CV option, to charge Seller for storage and handling, or to dispose of the goods without liability to Seller. Seller shall reimburse Hi-Lex Mexicana, SA de CV for (a) any amounts paid by Hi-Lex Mexicana, SA de CV on account of the purchase price of any returned nonconforming goods, and (b) any costs incurred by Hi-Lex Mexicana, SA de CV in connection with the nonconforming goods, including, but not limited to inspection, sorting, testing, evaluations, storage or rework, **production line downtime (Line Down) and resulting damages**, within thirty (30) days

after a debit memo for the costs has been issued by Hi-Lex Mexicana, SA de CV. All costs associated with sorting, inspection, and rework, whether performed internally by Hi-Lex Mexicana, SA de CV or externally by a third party, and all premium or expedited shipment expenses, shall be included. Payment by Hi-Lex Mexicana, SA de CV for nonconforming goods shall not constitute an acceptance hereof, limit or impair Hi-Lex Mexicana, SA de CV right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects.

13. Tooling and Other Provided Property:

All tools, molds, jigs, gauges, and other appurtenances (collectively, "Tooling") provided by Hi-Lex Mexicana, SA de CV, Hi-Lex Mexicana, SA de CV customer, or for which Hi-Lex Mexicana, SA de CV has paid/amortized, shall always remain the exclusive property of the Buyer. Seller shall hold the Tooling on a bailment basis only and must immediately surrender it upon Hi-Lex Mexicana, SA de CV request, regardless of reason or payment status. Seller expressly waives any lien or security interest it may have on the Tooling, and Seller may not retain the Tooling for any outstanding payment demands.

14. Proprietary Rights:

If Hi-Lex Mexicana, SA de CV furnished or supplied Seller with any designs, drawings, specifications, blueprints or other materials which contain proprietary information, Seller shall not disclose or use for the benefit of Seller or others such designs, drawings, specifications, blueprints or other material including any copies thereof, except with the written approval of Hi-Lex Mexicana, SA de CV. All copyrightable works of original authorship (including but not limited to computer programs, technical specifications, documentation and manuals), ideas, inventions (whether patentable, patented or not), know-how, processes, compilations of information, trademarks and other intellectual property (collectively, 'Deliverables') 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. All Deliverables which are created in the course of performing this order are owned by Hi-Lex Mexicana, SA de CV and not by Seller and are "works made for hire" as that term is used in connection with the Mexicana and U.S. Copyright Act. Seller hereby assigns to Hi-Lex Mexicana, SA de CV all right, title and interest in and to all Deliverables, inventions, trademarks, copyrights, industrial design rights and other proprietary rights in any material created for and paid for by Hi-Lex Mexicana, SA de

CV under this order. Technical information and data furnished to Hi-Lex Mexicana, SA de CV in connection with this order are disclosed on a nonconfidential basis. Seller agrees: (i) to defend, hold harmless and indemnify Hi-Lex Mexicana, SA de CV and its customers against all claims, demands, losses, suits, damages, liability and expenses (including reasonable attorney's fees) arising out of any suit, claim or action for infringement of any Mexican or United States foreign patent, trademark, copyright, industrial design right trade secret or other proprietary right by reason of the manufacture, use or sale of the goods or services ordered, including infringement arising out of compliance with specifications furnished by Hi-Lex Mexicana, SA de CV.

15. Works carried out on Hi-Lex Mexicana, SA de CV Facilities:

When the work is carried out on Hi-Lex Mexicana, SA de CV and on the site of construction this terms and condition shall be complemented with the safety regulations and rules for the internal and external Hi-Lex Mexicana, SA de CV companies. A copy of this document will be available in order to be consulted by the Seller only when the Seller requests the document.

16. Delivery of Service and Spare Parts:

For Goods incorporated into vehicle products, Seller must supply 100% of Hi-Lex Mexicana, SA de CV requirements for service and spare parts for 15 years after the end of production, or for the period specified by Hi-Lex Mexicana, SA de CV customer, whichever is longer.

17. Payment Terms:

Unless another written agreement exists from Hi-Lex Mexicana, SA de CV, the payments will be done according the payment conditions mentioned on this order after the reception, inspection and proper documents (original and copy) received by Hi-Lex Mexicana, SA de CV. The invoices must fulfill all necessary requirements indicated by the legal authorities. THE INVOICE IS NOT GOING TO BE ACCEPTED IF DOES NOT INCLUDE THIS ORDER NUMBER.

18. Financial and Operational Condition of Seller:

If at any time Hi-Lex Mexicana, SA de CV determines that Seller is unable to meet any of its obligations hereunder, including delivery schedules or any other accommodations (financial or other) that are necessary for Seller to fulfill its obligations under this order, Seller will reimburse Hi-Lex Mexicana, SA de CV for all costs, including attorneys' and other professionals' fees, incurred by Hi-Lex Mexicana, SA de CV in connection with such accommodation. For clarity, "all costs" related to accommodation, resourcing, or quality

issues shall specifically include, but not be limited to, costs for customer re-applications, product re-testing, validation, sorting, inspection, rework, and expedited freight. and will grant access to Hi-Lex Mexicana, SA de CV to use Seller's premises, machinery, equipment and other property necessary for the production of goods covered by this order under an access agreement.

19. Applicable Law; Jurisdiction:

This order shall be governed by Mexican internal laws without regard to conflict of laws provisions. The United Nations Convention on the International Sale of Goods expressly excluded. Litigation involving this Order shall be brought exclusively in courts for the state of Queretaro located in Queretaro, Queretaro. Seller agrees to the exclusive jurisdiction of these courts. Venue shall be considered convenient and proper in Queretaro, Queretaro. Seller agrees to comp with al federal, state, local and foreign laws, Executive Orders, rules, regulations and ordinances which may be applicable to Seller's performance of its obligations under this order, and this order shall be deemed to incorporate by reference all the clauses required by the provisions of laws, orders, rules, regulations and ordnances.

20. Language:

The Seller and Hi-Lex Mexicana, SA de CV agree that this order will be celebrated in English language, and if exists a Spanish version, the English version will prevail for interpretation effects.