

**Factoria Industrial, S.A. de C.V.**  
**General Purchasing Terms and Conditions**

**1. Parties**

Factoria Industrial, S.A. de C.V. purchases goods and services under these terms and conditions and is referred to herein as "Factoria". The supplier of such goods and services under this contract is referred to herein as "Supplier".

**2. General Conditions**

A. All of Factoria's purchasing transactions shall be based on these General Terms and Conditions, as well as on any separate written contractual agreements. If Supplier's conditions of sale diverge, they shall not become a subject matter of the contract even on acceptance of the order, unless such terms are expressly agreed to in a separate writing signed by Factoria. The contract shall be brought about - in lieu of particular agreements - with Supplier's acceptance of our Purchase Order.

B. Factoria reserves property rights and copyrights for prototypes, drawings and other information of a physical and non-physical nature -including all electronic forms made available to Supplier to process the order; they must not be made accessible to third parties. Supplier expressly undertakes to allow third parties access to information and documents designated by Factoria as being confidential only with Factoria's written approval.

**3. Processing of order**

The Supplier understands and agrees as follows: (a) that the orders must not be filled at higher prices than tendered in Factoria's Purchase Order or, if not tendered, than last quoted or charged without advice; (b) that no charge will be allowed for boxing, packing or crating, carting or loading, unless expressly agreed to on the purchase order.

**4. Packing list**

All deliveries shall include a packing list indicating the contents of each package.

**5. Delivery schedule**

Failure to deliver goods on time may result in termination of the purchase order at Factoria's option.

**6. Receipt**

Factoria shall be deemed to have received goods procured hereunder when such goods have been deposited at Factoria's plant, located on Avenida Octavio Paz 180 inside the Chihuahua Industrial Complex, in Chihuahua, Chihuahua, Mexico, and all bills of lading and any other shipping and Customs documents which require signature have been signed. Any and all discrepancies between quantities ordered and actual receipts are the Supplier's responsibility. Factoria reserves the right to reject and return, at the Supplier's expense, any goods received in excess of the quantity ordered.

**7. Acceptance**

Factoria shall be deemed to have accepted goods procured hereunder only after actual inspection for conformity or the passage of ten (10) business days from receipt, whichever occurs first.

**8. Invoices**

Supplier will mail duplicate copies of invoices to accounting services, indicating on invoices cash discount terms for prompt payment. Supplier will render a separate invoice for each order or shipment. Supplier will show the purchase order number on all invoices, packages, bills of lading, etc., and all communications in reference thereto. **Payment Terms: Net 45 Days.**

## **9. Discount terms**

If a discount is allowed for payment within a certain time, the time for taking the discount will not begin to run until the date of the receipt of the invoice or the date of the delivery of the goods, whichever occurs later. However, if an invoice is returned for correction, the time for taking the discount will not begin to run until the date of the receipt of the corrected invoice.

## **10. Rejection/termination**

Supplier shall warrant all goods and services sold to Factoria to be free from defects. All goods which are rejected for nonconformity against Factoria's specifications and requirements, are rejected at Supplier's expense and shall be returned at Supplier's risk of loss and expense. Factoria reserves the right to terminate the Purchase for nonconformity.

## **11. Assignment**

All obligations hereunder, including monies due and owing, shall not be assigned to a third party without the prior written consent of both parties hereto.

## **12. Title to goods**

Supplier warrants that the goods procured hereunder are free from all liens, claims or encumbrances.

## **13. Indemnification**

To the extent that goods are not manufactured or supplied in accordance with Factoria's specifications, Supplier shall defend, indemnify, and hold harmless Factoria, Factoria's assignees, and other users of the goods from and against any claim of infringement of any letter patent, trade names, trademark, copyright, or trade secrets by reason of sale or use of any articles purchased hereunder. Factoria shall promptly notify supplier of any such claim.

To the fullest extent allowed by law, Supplier agrees to indemnify and hold harmless Factoria, its agents and employees from and against all claims or losses including reasonable attorneys' fees, arising out of or resulting from the negligence or omissions of the Supplier, its partners, directors, officers, employees, licensees, subcontractors or agents, in the provision of products and services under this contract.

## **14. Hazardous goods**

All goods must be transported by the Supplier or Supplier's agent in accordance with all relevant federal and local legislation covering the handling and transportation of all hazardous and dangerous goods.

## **15. W.H.M.I.S.**

Material Safety Data Sheets or information sheets as regulated under W.H.M.I.S. must be made available before shipment to Factoria.

## **16. Cancellation**

Factoria reserves the right to cancel this agreement for convenience by giving Supplier written notification.

## **17. Use of name or intellectual property**

Supplier agrees it will not use Factoria's name or intellectual property, including but not limited to, Factoria trademarks in any manner, including commercial advertising or as a business reference, without prior expressed written consent of Factoria.

## **18. Place of jurisdiction**

A. Factoria and Supplier agree that the tender, the purchase orders and any schedules attached to the purchase orders shall be governed by and construed according to the laws of the State of Chihuahua and submit themselves to the jurisdiction and venue of the competent courts located in Chihuahua, Chihuahua, United Mexican States, and agree that the commercial and civil laws of the United Mexican States shall control interpretation, compliance and enforcement of this agreement.

B. Any and all disputes arising from the contractual relationship, including disputes related to the payment shall be brought before the local courts located in the City of Chihuahua, Chihuahua, Mexico.

**19. Miscellaneous**

Should any provisions or a single clause of these General Terms and Conditions be or become invalid, this shall not affect validity of any other provisions of the agreement.

**20. Notices**

All notices, demands and requests required hereto shall be in writing, and shall be deemed to have been properly given if served personally or if sent by registered or certified mail return receipt requested, confirmed fax, or confirmed e-mail addressed to Factoria or Supplier, as the case may be, at their respective address last designated by notice to the other party for that purpose. For all legal effects, each party designates as its domicile the address established in:

Factoria Industrial, S.A. de C.V. Ave. Octavio Paz 180 Complejo Industrial Chihuahua Chihuahua, Chihuahua 31109 MEXICO Tel: +52 (614) 483-2400 Fax: +52 (614) 483-0218 e-mail: info@factoria.com	Supplier data goes here
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**Note:**

This is a translation of the Spanish version. In cases of uncertainty or conflict, the Spanish version shall prevail.