

**GENERAL SALES CONDITIONS OF
UBE MEXICO S. DE R.L. DE C.V.**

These General Sales Conditions are accepted without reservation by the buyer (hereinafter the "**Buyer**") and shall apply to all purchase orders for products or goods (the "**Purchase Order**" or the "**Order**") placed by the Buyer to UBE MEXICO S. DE R.L. DE C.V. (hereinafter the "**Seller**" or "**UMEX**").

In case of any discrepancy between these General Sales and Conditions and a Purchase Order accepted by the Seller, the Purchase Order shall prevail.

1. ACCEPTANCE OF THE PRESENT CONDITIONS

- 1.1 Supplies of goods for Orders placed to UMEX shall be made in accordance with these General Sales Conditions which shall be deemed to be totally accepted by the Buyer on written acceptance of the goods or, failing written acceptance, upon receipt of the goods, even in the case of its prior objection.
- 1.2 Any amendments to these General Sales Conditions shall only be valid if they are mutually agreed in writing between the Buyer and UMEX and any clause or general purchase conditions established by the Buyer in any documentation or correspondence which contradicts or limits these General Sales Conditions shall not be deemed to be valid, even if UMEX did not object to the conditions of the Buyer.
- 1.3 A failure to exercise or delay in exercising any right or remedy by UMEX in relation to these General Sales Conditions shall not constitute a waiver or forfeiture of the relevant right or remedy.
- 1.4 In the event that any of the provisions of these General Sales Conditions, or any part thereof, or any other conditions, which amend or replace the conditions, are rendered void or are unenforceable in any respect for any legal reasons, the remaining provisions shall remain valid and shall not in any way be affected or impaired thereby. The Parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

2. ORDERS

- 2.1 Orders made by any Buyer shall represent a firm and binding purchase commitment by the Buyer, although the Orders shall not be deemed to have been accepted by UMEX, accordingly, the agreement shall not be final, effective, valid and binding on the Seller,

until the following conditions are met : (i) UMEX notifies the Buyer of its acceptance by duly authenticated means (Order Acknowledgement/ Confirmation); and (ii) UMEX receives an advance payment from the Buyer equal to 20% of the amount of the Order.

- 2.2 Acceptance of any Order by UMEX is subject to its sole discretion and, accordingly, UMEX may require such security for payment as it may deem appropriate or reject the Order, without the Buyer being entitled to any compensation thereof. Catalogues, leaflets, price lists, and any other document advertising the products of the Seller do not constitute binding offers.
- 2.3 If modifications of the Purchase Order, as a result of any amendments to governing rules and regulations after the Purchase Order is received, impose additional or more burdensome obligations on the Seller, the latter shall be entitled to make an equitable adjustment to the contractual terms and conditions in **order** to fully reflect the consequences of the new or amended rules or regulations.

3. DELIVERY

- 3.1 Deliveries or Orders placed by the Buyer shall be made under the conditions agreed for each case.
- 3.2 The products shall, unless otherwise agreed in writing, be delivered DELIVERED DUTY PAID at the named place of destination (DDP according to Incoterms 2010) (i.e., delivery shall be deemed completed when the products are made available at the Seller's plant **and risk** will transfer to the Buyer immediately upon delivery).
- 3.3 Notwithstanding, delivery terms shall always be approximate and cannot be considered an essential obligation of UMEX nor the essence of its obligation and any delay in delivery by the Seller shall not imply a breach or cancellation/termination of the Order, in whole or in part, nor shall it entitle the Buyer to any compensation for the same. For these purposes, the Seller shall notify the Buyer that the products are ready for delivery and the Buyer shall undertake to collect them within no more than **5 (five) local working** days from receipt of the notice. If the Buyer requests and the Seller accepts a delay in delivery, the Seller reserves the right to add to the price of the product any expenses incurred as a result of the same.

4. PRICE AND PAYMENT OF PRICE

- 4.1 The price of the products shall be stated on the Purchase Order. Sales prices are net and do not include applicable taxes, which shall be added on the invoice at the relevant rates.
- 4.2 Unless otherwise stated in the Purchase Order or agreed by the parties in writing, the prices do not include packaging, freight, handling or insurance.

- 4.3 The Buyer shall pay every tax, fee, duty or other charge, including VAT, now or hereafter imposed by any governmental agency upon the product or any part thereof, or upon the sale, shipment, import/export, storage, use or inspection thereof. If any such tax, fee, duty or charge is required to be paid or collected by the Seller, an equal amount shall be added to the sale price and payment shall be made together with the sale price.
- 4.4 Compliance with the date of payment by de Buyer is considered an essential element of these conditions.
- 4.5 Unless otherwise specified in the Purchase Order, the price shall be paid to UMEX in MXN or USD and in accordance to the following : (1) 20% as advance payment, upon acceptance of the Order; and (2) the remaining 80%, upon delivery of the products, by bank wire transfer ordered on or before the due date in immediately available funds, for credit to the Seller's bank account latest on the maturity date. If payment is due on a day on which the Seller's designated bank is not open for business, payment to be made on the following banking day. The price shall be paid without any discount, deduction, withholding or setoff.
- 4.6 In general, and unless otherwise stated in writing by UMEX, the term of payment of the invoices shall be computed as from the date of the invoice.
- 4.7 If legal provisions imposed by government authorities come into force after the date of the Order confirmation and lead to price increases, these will be borne by the Buyer.
- 4.8 If payment had not been effected or had not fully been received on time, the Buyer shall pay interest for late payment which shall be the sum of the interest rate TIIE (Tasa de Interés Interbancaria de Equilibrio) published by Banco de México plus five (5) percentage points and no demand for payment of the same need to be made. The interest shall be calculated from the date the amount became due up to the date on which the amounts owed were duly settled. Any interest not paid when due, shall be added to the overdue sum and itself bear interest accordingly. Payment of interest shall not release the Buyer from the obligation to make remaining payments as agreed.
- 4.9 In the event of delay in payment of the invoices, UMEX reserves the right to: (i) suspend supplies for current and new Orders until the Buyer has fully settled its debt or (ii) resolve the contractual relation linking both parties. In both cases, UMEX reserves the right to claim payment for all outstanding amounts and compensation for any other damages caused as a result of the Buyer's breach.
- 4.10 The Seller shall be entitled to compensate or off-set any amounts due under a certain Purchase Order with any sums paid by the Seller under other Orders (including advance payments).

5. WARRANTY

Claims regarding damaged products, quantity or any other discrepancy must be indicated on the dispatch note [or CMR] and be notified to the Seller within four days of receipt of the products (hereinafter the "Notification of Claim").

Claims regarding quality will be regulated according law.

- 5.1 The Notification of Claim shall include: (i) a description of the damages or discrepancies with the ordered products; (ii) if applicable, the amount of these damages, and the documentation supporting and justifying the same or the discrepancies, including photos of the damaged products; (iii) a reference to the clause of this General Sales Conditions or the Purchase Order under which the claim for compensation is made; and (iv) any other information required to ground the claim.
- 5.2 No claims regarding damages, defects, quantity or quality or claims of any other kind attachable to the Seller will be accepted after the fourth day following receipt of the products by the Buyer. Therefore, if the Seller has not received such notice within that period, the Buyer shall be deemed to have fully accepted the products and waived all claims in respect thereto, and such claims shall be forever barred.
- 5.3 If goods are defective and the notification is given on time, UMEX at its discretion shall either repair or replace the goods.
- 5.4 UMEX shall in no event be liable to accept any returns of goods unless prior written notice of such return has been given by the Buyer and accepted by UMEX in written by an authorized person.
- 5.5 UMEX does not assume any liability for any damage to property or physical injury of the Buyer, its employees and/or any third party which are produced as a result of the handling and/or processing of goods by the Buyer or any third party.
- 5.6 No claim of any kind by the Buyer as to product delivered or for non-delivery of product and whether or not based on negligence, shall be greater in amount than the purchase price of the product in respect of which damages are claimed. No claim of any kind by the Buyer for non-delivery of product shall be greater in amount than the difference between the contract price for that product and the market price. In no event shall the Seller be liable for any special, indirect, punitive, exemplary, incidental or consequential damages nor shall the Seller be liable for loss of profit on resale of product. The Buyer assumes all risk and liability for the use of the product, whether used singly or in combination with other substances, and for loss, damage, or injury to

persons or property of the Buyer or others arising out of the use of possession of the product.

- 5.7 No suit or legal proceeding or demand for arbitration arising under this Contract shall be maintainable against the Seller unless commenced or made by the Buyer within 6 months after completion of discharge or failure to deliver product hereunder
- 5.8 The Seller makes no warranty on the merchantability or fitness for any purpose or any other warranty of any kind, express or implied and all other warranties or conditions as to quality or description or suitability (whether statutory or otherwise) are hereby excluded.

6. RETENTION OF TITLE

- 6.1 UMEX shall maintain full ownership of the goods delivered to the Buyer until the latter has paid the total amount of the invoice corresponding to the supply.
- 6.2 Therefore, until final payment on the Order has been made, UMEX retains title to the all the goods delivered and, accordingly, the Buyer shall be deemed to be a bailee, and may not dispose of, or pledge or provide as security, the goods without written and duly authenticated consent from UMEX.

7. ASSIGNMENT OF THE ORDER

- 7.1 Every Order is personal and, as such, may not be assigned or otherwise transferred by the Buyer without the written consent of UMEX. Any attempt to assign or transfer without such consent shall be null and void, and lack validity and effect.

8. FORCE MAJEURE

- 8.1 UMEX shall not be liable for total or partial non-compliance or delay in making supplies, if such non-compliance or delay is due to force majeure. Any delay in delivery caused by a force majeure event lasting more than one month shall entitle the Seller to terminate the Order without incurring any obligation to compensate
- 8.2 The term force majeure as used herein shall mean any event, whether accidental or not, beyond the control of UMEX, including, without limitation, acts of government or sovereignty, war (whether declared or not) or national emergency or defense requirements, riot, insurrection, civil commotion, strikes, lack of transportation, accidents at factories, sabotage or other disturbances, fire, explosion, flood, epidemic, Acts of God or any other cause and more generally any other circumstances or situation (including machine breakdown, general, territorial or sectorial strikes, lockouts, shortened working hours, or other labour or industrial actions), whether similar or different, which is reasonably beyond the control of UMEX.



9. DATA PROTECTION

In compliance with the, LEY Federal de Protección de Datos Personales en Posesión de los Particulares UMEX informs the Buyer that the personal data provided to the Seller shall be included in a file owned exclusively by UMEX for purposes of administrative, economic and commercial management as well as any other purpose related to fulfilment of the Seller's company object and its customer relationship management. This includes the sending of commercial information or any other information deemed of interest to the buyers.

Buyers may exercise their access, rectification, erasure, objection and cancellation rights on a cost free basis by way of a request to the following e-mail address:
info@ubemex.com.mx

10. COMPLIANCE WITH EXPORT AND IMPORT LAWS

- 10.1 The Buyer acknowledges that the products being sold by the Seller may be subject to local or international export control requirements and that without the necessary export or re-export authorization from the competent authorities, the products in question may not be sold, leased, assigned, transferred, etc., nor may they be used for any purpose other than the one agreed. The Buyer is responsible for complying with such requirements. The products may not be used, directly or indirectly, in the design, production or use of nuclear, chemical or biological weapons or systems for their transport or for military applications.
- 10.2 The Buyer undertakes that product delivered hereunder shall not be re-exported to any destination prohibited by the law of the country in which the product was produced or originated.
- 10.3 In case that the Buyer intends to apply any of the benefits of an IMMEX Program it will be necessary for the Buyer to provide UMEX with all the related information that the latter might require, as well as provide its support in any way also required as indicated in all the related laws.

11. TERMINATION

- 11.1 Either party may seek to terminate a Purchase Order issued pursuant to these standard terms and conditions for reasons other than those provided above where any of the following circumstances arise: (1) by mutual agreement between the parties; (2) where the other party is wholly or partly in breach of any legal or contractual

obligations; or (3) where the other party admits in writing its inability to pay its debts or has entered into insolvency proceedings.

12. NOTICES

12.1 All notices and notifications that may or must be given with respect to the provisions of this document shall be given in writing and sent by duly stamped registered mail or by any other means that evidences due service, to the addresses appearing on the Purchase Order.

13. VERSIONS

13.1 These conditions have been written in two versions, one in Spanish and the other in English. In the event that any differences or discrepancies arise, the Spanish version shall prevail.

14. APPLICABLE LAW AND JURISDICTION

14.1 Before any controversy that resulted from the interpretation of the present Agreement, the parties expressly submit to the jurisdiction and competence of the Courts of Mexico City.