



ADHESION AGREEMENT (KH-SECCION-COMPRAS-1) ON GENERAL CONDITIONS OF PURCHASE ENTERED INTO BY THE LEGAL ENTITY NAMED KH MEX SOCIEDAD DE RESPONSABILIDAD LIMITADA DE CAPITAL VARIABLE, REPRESENTED IN THIS ACT BY CLAUDIA EITZE, HEREINAFTER REFERRED TO AS "THE CLIENT"; AND ON THE OTHER HAND, THE LEGAL ENTITY AND/OR INDIVIDUAL AND/OR THAT MAY BE INFERRED FROM THE PURCHASE ORDER AND/OR INVOICE ISSUED AS CONSIDERATION FOR THE SERVICES RENDERED, HEREINAFTER REFERRED TO AS "THE SUPPLIER", AND WHEN ACTING JOINTLY, THEY WILL BE REFERRED TO AS "THE PARTIES" IN ACCORDANCE WITH THE FOLLOWING DECLARATIONS AND CLAUSES:

STATEMENTS

THIS AGREEMENT IS ENTERED INTO BY, ON THE ONE HAND, THE LEGAL ENTITY NAMED KH MEXICO SOCIEDAD DE RESPONSABILIDAD LIMITADA DE CAPITAL VARIABLE AS DESCRIBED IN PUBLIC DEED NUMBER 103,671 DATED MARCH 30, 2015 GRANTED BEFORE THE FAITH OF LIC. ALEJANDRO MALDONADO GUERRERO, FORMER NOTARY PUBLIC NUMBER 4 OF THE CITY OF QUERÉTARO, QUERÉTARO, HEREINAFTER THE CLIENT, ON THE OTHER HAND THE PERSON(S) WHOSE NAME(S) IS/ARE SPECIFIED IN THE ANNEXES OF GENERAL DATA OF THE SUPPLIER AND/OR OF THE CORRESPONDING PURCHASE ORDER AND/OR OF THE INVOICES ARISING FROM THE SERVICES PRESENTED AND THE PAYMENT AS CONSIDERATION FOR THE SAME; FROM THIS DOCUMENT ONWARDS THE SUPPLIER WILL BE REFERRED TO AS THE SUPPLIER AND WHEN ACTING JOINTLY THEY WILL BE REFERRED TO AS THE PARTIES.

THE SUPPLIER" DECLARES, THROUGH ITS LEGAL REPRESENTATIVE THAT:

1. THAT IT IS AN INDIVIDUAL OR LEGAL ENTITY WITH LEGAL CAPACITY TO BE BOUND UNDER THE TERMS OF THIS CONTRACT, THAT IT IS THE LEGAL REPRESENTATIVE OF THE INDIVIDUAL OR LEGAL ENTITY AND THAT IT HAS THE POWERS TO ENTER INTO THIS CONTRACT.
2. THAT HIS IDENTIFICATION DATA ARE THOSE SET FORTH IN THE GENERAL DATA ANNEX.
3. IS A COMPANY DULY INCORPORATED UNDER THE LAWS OF THE UNITED MEXICAN STATES.

THE MANUFACTURER HAS EXPERIENCE AND EXPERTISE IN THE DESIGN, ENGINEERING, HUMAN RESOURCES, FINANCIAL, MATERIAL AND MANUFACTURING OF GOODS AND THE CUSTOMER, RELYING ON SUCH STATEMENT, WISHES TO CONTRACT THE MANUFACTURER TO MANUFACTURE AND SUPPLY GOODS RELATED TO THE CUSTOMER'S BUSINESS, AND THE MANUFACTURER WISHES TO MANUFACTURE AND SUPPLY GOODS TO THE CUSTOMER, IN ACCORDANCE WITH THE TERMS OF THIS CONTRACT AS WELL AS THE EXPERIENCE AND KNOWLEDGE TO BE BOUND BY THE TERMS OF THIS CONTRACT.

THE SUPPLIER" DECLARES THAT:

1. THAT IT IS A LEGALLY CONSTITUTED LEGAL ENTITY AND/OR A NATURAL PERSON WITH FULL CAPACITY TO BE BOUND BY THIS INSTRUMENT.
2. THAT IT VOLUNTARILY ADHERES TO THE PRESENT INSTRUMENT SUBJECTING ITSELF TO THE OBLIGATIONS STIPULATED HEREIN BY THE SIMPLE FACT OF CARRYING OUT ANY TYPE OF COMMERCIAL SPECULATION AND/OR PURCHASE AND SALE OPERATION WITH THE CLIENT, ARISING FROM A PURCHASE ORDER OR THE ISSUANCE OF AN INVOICE.
3. THAT THE PRESENT CONTRACT BECOMES LEGALLY EFFECTIVE UPON THE ISSUANCE OF THE CORRESPONDING PURCHASE ORDER.

BOTH PARTIES DECLARE THAT THEY MUTUALLY RECOGNIZE THE PERSONALITY WITH WHICH THEY APPEAR IN THIS ACT, AND IN THE ABSENCE OF ERROR, FRAUD OR BAD FAITH, THEY MUTUALLY AGREE TO BE SUBJECT TO THE FOLLOWING:

CLAUSES

OBJECT OF THE PURCHASE CONTRACT. "THE SERVICE PROVIDER", UNDERTAKES TO PROVIDE TO "THE CLIENT" THE GOODS AND/OR SERVICES DESCRIBED IN THE CORRESPONDING PURCHASE ORDER AND/OR THE INVOICES ARISING FROM THE

SERVICES PRESENTED AND THE PAYMENT AS CONSIDERATION FOR THE SAME, DOCUMENTS THAT SHALL FORM AN INTEGRAL PART OF THIS CONTRACT (HEREINAFTER "THE SERVICES").

DELIVERY OF GOODS. THE DELIVERY OF THE PRODUCT SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF THE PURCHASE ORDERS CORRESPONDING TO THE AGREED SERVICES, WHICH SHALL CONTAIN THE TERMS AND DEADLINES TO WHICH THE SUPPLIER IS SUBJECT. IN THE EVENT THAT NO DELIVERY TERM IS ESTABLISHED, IN GENERAL, IT WILL BE 30 WORKING DAYS FROM THE DATE THE PURCHASE ORDER IS ISSUED.

IF DELIVERY IS NOT MADE WITHIN THE AGREED TERMS AND DEADLINES, "THE MANUFACTURER" IS OBLIGED TO PAY FOR ANY DAMAGES THAT MAY ARISE AND, IF "THE CLIENT" SO DECIDES, TO TERMINATE THE CONTRACT AND "THE MANUFACTURER" SHALL PAY 30% OF THE VALUE OF THE PRICE OF THE GOODS TO "THE CLIENT", IN ADDITION, WITHOUT LIMITING ANY OTHER RIGHT IT MAY HAVE, TO CHARGE INTEREST ON THE TIME OWED (BEFORE AND AFTER JUDGMENT) AT THE RATE OF 36% PER ANNUM.

QUALITY OF THE PRODUCTS. SUPPLIER'S. PRODUCTION PROCESS AND PRODUCT QUALITY SHALL AT ALL TIMES BE EVALUATED BY "SUPPLIER", WHICH SHALL MEET ITS STANDARDS, WHEREBY "SUPPLIER" ENSURES THAT THE PRODUCTS FULLY COMPLY WITH THE REQUIRED SPECIFICATIONS. OTHERWISE "THE SUPPLIER" SHALL BE RESPONSIBLE FOR DEFINING AND STANDARDIZING CORRECTIVE AND PREVENTIVE ACTIONS WITH RESPECT TO ITS PRODUCTION PROCESSES.

IN COMPLIANCE WITH THE CUSTOMER'S REQUIREMENTS, THE SUPPLIER SHALL KEEP ON FILE THE HISTORY OF TEST RESULTS, AS WELL AS THE HISTORY OF PRODUCT INSPECTION AND ANY REPORTS RELATED TO PRODUCT PERFORMANCE AND QUALITY DURING THE LIFE OF THE PROJECT.

THE SUPPLIER SHALL PERFORM PROCESS RELEASE, FINAL INSPECTION, AND IN-PROCESS INSPECTIONS DURING THE MANUFACTURING PROCESS. THE CLIENT WILL MAKE INSPECTION RECEIPT EACH TIME A NEW BATCH OF MATERIAL ARRIVES FROM KH MEXICO, WITHIN WHICH "THE SUPPLIER" IS OBLIGED AT THE TIME OF DELIVERY, TO ADD THE DOCUMENTS CORRESPONDING TO THE PRODUCT PURCHASED, SUCH AS PRODUCT QUALITY CERTIFICATES, INVOICE, PURCHASE ORDER, BATCH, ETC., OR BY AGREEMENT BETWEEN THE CLIENT AND SUPPLIER.

WHEN "THE CLIENT" DETERMINES THAT THE PRODUCT ARRIVES DAMAGED OR WITH SOME DEFECT, IT IS NOT NECESSARY THAT THE CLIENT MAKES AN IMMEDIATE INSPECTION, ONLY THAT A REPORT OF CLAIMS IS SENT WHERE MENTION IS MADE OF THE DEFECTS, WITH THE PURPOSE THAT THE SUPPLIER HAS THE CERTAINTY AND IT IS RECORDED THAT SUCH CIRCUMSTANCE WAS MADE OF KNOWLEDGE; THE SUPPLIER MUST GIVE ANSWER TO THE QUALITY PROBLEMS PRESENTED DURING THE FOLLOWING 2 TWO WORKING DAYS TO THE NOTIFICATION OF THE CLAIM, WHICH CAN BE IN WRITING OR BY E-MAIL.

FOR A PERIOD OF ONE YEAR AFTER DELIVERY, THE SUPPLIER UNDERTAKES TO BE LIABLE FOR HIDDEN DEFECTS AND IN RESPECT OF THE QUALITY REQUIRED BY THE CONTRACT AND FREE FROM DEFECTS IN DESIGN, MANUFACTURE AND MATERIALS; IN THE EVENT OF DELIVERY OF DEFECTIVE OR NON-CONFORMING GOODS, THE MANUFACTURER SHALL REMEDY THE DEFECT OR NON-CONFORMITY WITHIN 30 DAYS AFTER RECEIVING WRITTEN NOTICE DETAILING THE PARTICULARS OF THE DEFECT OR NON-CONFORMITY AND REQUIRING THAT THEY BE REMEDIED.

IF THE DEFECT OR NONCONFORMITY AMOUNTS TO A MATERIAL BREACH OF THE PROVISIONS OF THIS CONTRACT AND THE MANUFACTURER FAILS TO REMEDY WITHIN 30 DAYS AFTER RECEIPT OF SUCH NOTICE, THE CUSTOMER SHALL BE ENTITLED TO TERMINATE THIS CONTRACT, AND THE SUPPLIER SHALL BE OBLIGATED TO RESPOND FOR DAMAGES OR TO EXERCISE A CONVENTIONAL PENALTY AGAINST THE "SUPPLIER" CONSISTING OF PAYING "THE CUSTOMER" AN AMOUNT EQUAL IN MONEY CORRESPONDING TO THE PURCHASE ORDER(S) WITH WHICH THEY ADHERED TO THIS CONTRACT.

SYSTEM AND ENVIRONMENTAL CONTROL. SUPPLIER SHALL COMPLY WITH ALL APPLICABLE REGULATORY LAWS. THESE REGULATIONS INCLUDE THOSE



APPLICABLE TO WORKER HEALTH AND SAFETY, ENVIRONMENT, HAZARDOUS AND TOXIC WASTE MANAGEMENT AND FREE TRADE.

THE SUPPLIER SHALL ALLOW "THE CUSTOMER" TO REVIEW WHETHER OR NOT ITS QUALITY SYSTEM MANAGEMENT COMPLIES WITH THE REQUIREMENTS THROUGH AN AUDIT. THE AUDIT CAN BE FOCUSED ON: SYSTEM, PROCESS, PRODUCT AND RISK. THE AUDIT VISIT WILL BE REQUESTED AT LEAST 2 WEEKS IN ADVANCE, AND BOTH PARTIES WILL AGREE ON THE DATE FOR THE AUDIT.

THE SUPPLIER SHALL ALLOW "THE CUSTOMER" TO REVIEW WHETHER OR NOT ITS QUALITY SYSTEM MANAGEMENT COMPLIES WITH THE REQUIREMENTS THROUGH AN AUDIT. THE AUDIT CAN BE FOCUSED ON: SYSTEM, PROCESS, PRODUCT AND RISK. THE AUDIT VISIT SHALL BE REQUESTED AT LEAST 2 WEEKS IN ADVANCE, AND BOTH PARTIES SHALL AGREE ON THE DATE FOR THE AUDIT.

THE CLIENT WILL MAKE CONSTANT REVISIONS AND MONITORING, THE SUPPLIER AT NO TIME CAN REFUSE TO APPLY THE CORRESPONDING AUDIT, OTHERWISE IT WILL BE AVAILABLE FOR TERMINATION OF THIS INSTRUMENT, WITHOUT ANY LIABILITY. OTHERWISE IT WILL BE AT ITS DISPOSAL THE TERMINATION OF THIS INSTRUMENT, WITHOUT ANY LIABILITY.

CONFIDENTIALITY: ALL INFORMATION PROVIDED TO THE SUPPLIER, RELATED TO SPECIFICATIONS, DATA OR ANY OTHER INFORMATION TO FACILITATE THE ADEQUATE SUPPLY OF AN ORDER, SHALL HAVE THE CHARACTER OF CONFIDENTIAL INFORMATION AND THE SUPPLIER SHALL AVOID ITS DISCLOSURE AND REPRODUCTION. THE SUPPLIER SHALL TAKE ALL NECESSARY MEASURES TO PREVENT THE DISCLOSURE OR REPRODUCTION OF THE INFORMATION PROVIDED BY THE CLIENT. THE SUPPLIER, PRIOR TO COLLECTING CONFIDENTIAL INFORMATION FROM THE CLIENT, SHALL MAKE AVAILABLE TO THE CLIENT, ITS NOTICE OF NON-DISCLOSURE.

PRICE, DELIVERY AND PAYMENT TERMS. THE PRICE IS DETERMINED ACCORDING TO THE QUOTATION SENT FOR THE TERM OF THE PROJECT IN WRITTEN FORM (PREFERABLY BY E-MAIL) AND MUST CONTAIN: DOCUMENT NUMBER, SIGNATURE, PRICE (TYPE OF CURRENCY), DELIVERY TIME, PLACE OF DELIVERY, PACKAGING UNIT, MINIMUM PURCHASE QUANTITIES AND VALIDITY OF THE QUOTATION. THE QUANTITY DESCRIBED IN THE PREVIOUS PARAGRAPH WITHIN THE FOLLOWING ELBOWED CREDIT DAYS, OF HAVING MADE THE DELIVERY OF THE PRODUCT AT THE CUSTOMER'S FACILITIES AND THE INVOICE SENT BY E-MAIL, IN THE ABSENCE OF SUCH DOCUMENTS SHALL BE AS AGREED IN THE PRICE ESTABLISHED IN THE PURCHASE ORDER ISSUED BY THE CUSTOMER.

THE SUPPLIER SHALL COMPLY WITH THE SPECIFICATIONS, QUANTITIES AND QUALITY REQUESTED BY THE CLIENT AND DELIVER THE GOODS FREE OF DEFECTS. IF AFTER ACCEPTANCE OF THE OFFER BY THE CLIENT, IN ANY OF THE FORMS ESTABLISHED HEREIN (PURCHASE ORDER, CONTRACT, ETC.) THERE SHOULD ARISE ANY IMPEDIMENT FOR THE SUPPLIER TO DELIVER THE GOODS IN THE AGREED TERMS, THE SUPPLIER SHALL INFORM THE CLIENT IMMEDIATELY AND IN WRITING. IN THIS CASE THE CUSTOMER MAY CANCEL THE PURCHASE ORDER OR TERMINATE THE CONTRACT WITHOUT ANY LIABILITY ON HIS PART.

THE CLIENT RESERVES THE RIGHT TO REFUSE DELIVERIES FOR QUANTITIES OTHER THAN THOSE STIPULATED IN THE PURCHASE ORDER AND/OR THE CONTRACT, DELIVERIES OUTSIDE THE STIPULATED TIME WITHOUT PRIOR AUTHORIZATION OF THE PURCHASER, WITHOUT ANY LIABILITY ON ITS PART, IN THE EVENT OF ACCEPTANCE OUTSIDE THE STIPULATED TIME WITHOUT PRIOR NOTICE, THE SUPPLIER IS OBLIGED TO MAKE A CORRESPONDING DISCOUNT, APPLIED AS A CREDIT NOTE OF 1% PER DAY OF DELAY ON THE PRICE OF THE PRODUCT. IF THE LATE DELIVERY AFFECTS DELIVERIES WITH THE CLIENT, THE SUPPLIER MUST ASSUME THE PENALTY MADE BY THE CLIENT OF KH MEXICO.

THE COSTS OF DELIVERY OF THE PRODUCTS PURCHASED SHALL BE BORNE BY THE "SUPPLIER", ON ALL OCCASIONS UNTIL THE PRODUCT IS MADE AVAILABLE TO THE CUSTOMER; AND THOSE OF ITS RECEIPT AND REMOVAL OUTSIDE THE PLACE OF DELIVERY. WHEN THE PRODUCTS ARE REJECTED BY THE CLIENT, THE CLIENT MUST INFORM THE SUPPLIER IMMEDIATELY THE PROBLEM IS FOUND. BY ANY MEANS, BEING ONE OF THESE ONLY TO MENTION THEM AND WITHOUT THE PURPOSE OF LIMITING THEM, THE REPORT OF NONCONFORMITIES, CLAIM AND THE ESTABLISHED FORMS. WHEN THE CUSTOMER FINDS NON-

CONFORMING PRODUCT DURING THE INSPECTION RECEIPT, KH MEXICO HAS THE RIGHT TO REJECT THE ENTIRE LOT. IF THE RETURN IS MADE, KH MEXICO WILL CHARGE 150 USD TO BE EFFECTIVE AS A CREDIT NOTE APPLIED TO THE INVOICE OF THE REJECTED LOT AS COMPENSATION TO THE CUSTOMER, LIKEWISE, AS SOON AS THIS DECISION IS TAKEN, THE LOGISTIC COSTS OF TRANSPORTATION WILL BE ASSUMED BY THE SUPPLIER. KH MEXICO WILL NOT BE RESPONSIBLE FOR ANY DRAW WORK ON ANY PRODUCT.

THE CUSTOMER WILL CLAIM FOR DIRECT AND INDIRECT LOSSES IF THE PRODUCT, ONCE CHECKED, IS NOT FUNCTIONAL OR DOES NOT MEET THE DEFINED STANDARDS. THE CLAIM WILL CONSIDER MATERIAL PURCHASE COSTS, MANUFACTURING COSTS, EFFECT ON KH'S CUSTOMER'S SALES, AND ANY OTHER COSTS CAUSED BY THIS SITUATION. EVEN IF THE RETURN IS FILED, THE SUPPLIER MUST COMPLY WITH THE ENTIRE REQUIREMENT.

THE SUPPLIER MUST REPLACE THE NONCONFORMING PRODUCTS AND ACCEPT THE CLAIMS AND PENALTIES WHEN KH MEXICO DETECTS THE NONCONFORMITY AND SO REQUESTS; THE ABOVE APPLIES WHEN THE CLAIM IS ATTRIBUTABLE TO THE SUPPLIER AND THERE IS AN RMA (MATERIAL REJECTION AUTHORIZATION), BY THE SUPPLIER; THE ACCEPTANCE PARAMETERS ARE ESTABLISHED IN THE COA (QUALITY CERTIFICATE) ISSUED BY THE SUPPLIER. IF THE CLAIM IS NOT ATTRIBUTABLE TO THE MATERIAL, THE SUPPLIER WILL NOT ASSUME ANY COST, INCLUDING THOSE REFERRED TO IN THE FOLLOWING PARAGRAPH.

THE SUPPLIER SHALL ASSUME THE COST FOR LINE STOPPAGE THAT ITS PARTIES CAUSE TO KH MEXICO", AND EVEN THE PENALTY THAT THIRD PARTIES FOR NON-COMPLIANCE MAY BE APPLICABLE AGAINST KH MEXICO GENERATED BY THE NON-COMPLIANCE OF THE OBLIGATIONS ACQUIRED. FORCE MAJEURE NEITHER PARTY SHALL BE LIABLE FOR ANY DAMAGE, INCREASED COST OR LOSS THAT THE OTHER PARTY MAY BEAR DUE TO DELAY OR FAILURE TO COMPLY WITH THE OBLIGATIONS UNDER THIS AGREEMENT IF THE PREVENTION TO COMPLY WITH ITS OBLIGATIONS IS CAUSED BY AN UNFORESEEN EVENT AT THE TIME OF THE CONCLUSION OF THIS AGREEMENT AND WHOSE OCCURRENCE OR CONSEQUENCES CANNOT BE AVOIDED OR OVERCOME BY REASONABLE MEANS ("CASE OF FORCE MAJEURE, UNDERSTOOD BY THIS THOSE: NATURAL DISASTER, WEATHER AFFECTATIONS, AMONG OTHERS"). SUCH FAILURE OR DELAY SHALL NOT BE CONSIDERED A BREACH OF THIS AGREEMENT.

THE MANUFACTURER SHALL INVOICE THE CUSTOMER FOR THE PRICE OF THE GOODS SUPPLIED UNDER THIS AGREEMENT AT THE TIME OF DELIVERY OR AT ANY OTHER TIME AFTER EACH DELIVERY TO THE CUSTOMER.

CUSTOMER SHALL PAY THE PRICE SET FORTH IN EACH PURCHASE ORDER ISSUED BY CUSTOMER WITHIN 60 DAYS FROM THE DATE OF RECEIPT OF THE INVOICE SUBMITTED BY "SUPPLIER".

KH MEXICO RESERVES THE RIGHT TO MODIFY THESE TERMS AND CONDITIONS AT ANY TIME. AS OF THE DATE OF MODIFICATION, ALL SUBSEQUENT TRANSACTIONS ENTERED INTO BETWEEN THE CLIENT AND THE SUPPLIER SHALL BE GOVERNED BY THE AMENDED TERMS AND CONDITIONS WITH PRIOR NOTICE TO THE SUPPLIER.

CONTRACT. BY SIGNING THIS CONTRACT THE SUPPLIER AND THE CLIENT AGREE TO BE SUBJECT TO THE OBLIGATIONS AND RIGHTS SET FORTH HEREIN.

SUBSTITUTION OF AUTOGRAPH SIGNATURE. BOTH PARTIES AGREE THAT THE ISSUANCE OF THE CUSTOMER OF THE PURCHASE ORDER AND/OR INVOICE ISSUED BY THE SUPPLIER, WILL BE USED AS AN EXPRESSION OF CONSENT TO ADHERE TO THE TERMS AND CONDITIONS SET FORTH IN THIS CONTRACT, WHICH IS DESCRIBED IN SUCH DOCUMENTS, SO THAT FROM THAT MOMENT IT WILL HAVE THE CORRESPONDING LEGAL EFFECTS, THEREFORE IT IS NOT NECESSARY THAT THIS INSTRUMENT CONTAINS THE HANDWRITTEN SIGNATURE OF THE PARTIES, THUS HAVING FULL VALIDITY.

JURISDICTION FOR THE INTERPRETATION AND FULFILLMENT OF THIS CONTRACT, THE PARTIES EXPRESSLY SUBMIT TO THE COURTS AND LAWS OF THE STATE OF QUERETARO, WAIVING FROM THIS MOMENT ON ANY OTHER JURISDICTION THAT MAY CORRESPOND TO THEM BY REASON OF THEIR PRESENT OR FUTURE DOMICILES.



PURCHASE ORDER. IS THE PHYSICAL OR ELECTRONIC DOCUMENT, WITH WHICH THE PARTIES THAT INTERVENE IN IT ADHERE TO THE PRESENT CONTRACT, THUS SUBJECTING "THE SUPPLIER" AND "THE CLIENT" WITH THE PRICE OF THE PRODUCT OR MERCHANDISE DESCRIBED THEREIN, TO ITS DELIVERY AS ESTABLISHED IN THE PRESENT INSTRUMENT, AS WELL AS TO EACH AND EVERY ONE OF THE OBLIGATIONS THAT ARE ESTABLISHED IN THE PRESENT ADHESION CONTRACT (KH-SECCION-COMPRAS-1) ON GENERAL CONDITIONS OF PURCHASE.

ATTENTLY

ATTENTLY

CLAUDIA EITZE
LEGAL REPRESENTATIVE CUSTOMER

SUPPLIER NAME (ADHERENT)
LEGAL REPRESENTATIVE SUPPLIER