

General Terms and Conditions of Purchase for Production Material and Spare Parts for Automotive Supplies

SMP AUTOMOTIVE SYSTEMS MÉXICO S.A. DE C.V. (HEREINAFTER "SMP") AND THE SUPPLIER WHOSE IDENTIFICATION DATA IS PROVIDED ON THE ORDER (HEREINAFTER THE "SUPPLIER"), AGREE ON THE CLAUSES THAT ARE GRANTED BELOW, WILL GOVERN THE PURCHASE OF PRODUCTION MATERIAL AND SPARE PARTS FOR AUTOMOTIVE SUPPLIES.

I. Orders

- Orders placed by SMP shall be governed exclusively by these General Terms and Conditions of Purchase. SMP expressly objects to any deviating terms and conditions of the Supplier, unless by the express written agreement of SMP. The General Terms and Conditions of Purchase shall also apply to all future business transactions with the Supplier.
- Any modifications or supplements to the order and the purchase contract, in particular any modifications or supplements to the contractual item, require the written confirmation by SMP.
- SMP shall be entitled to revoke the order if the Supplier fails to accept the order in writing within 14 calendar days after shipment.
- The relevant call-off schedule of any framework order (delivery schedule) shall form an integral part of the order.
- The Supplier must maintain confidentiality about the conclusion of any contract. He may only name SMP as a reference to a third party with the written agreement of SMP.

II. Commercial terms

- The commercial clauses shall be interpreted in accordance with the INCOTERMS in the version applicable at the time that the contract was formed.

III. Delivery dates

- The delivery periods and delivery dates stated in the order / delivery schedule are binding. The decisive date for compliance with the delivery date or delivery period shall be the date of receipt of the goods by the SMP plant to be supplied. Unless free delivery / DDP (Incoterms 2000) is agreed, the Supplier must provide the goods in due time, taking account of the typical time required for loading and shipment.
- In the event of delay of the Supplier, and after the fruitless expiry of a reasonable grace period set by SMP, SMP shall be entitled to commission a third party to perform any outstanding deliveries at the expense of the Supplier. Alternatively, SMP may choose to withdraw from the contract after the fruitless expiry of a reasonable grace period set by SMP, the above, without any responsibility for SMP.
- In addition, the statutory provisions shall apply.
- The agreed delivery dates and timetable are binding and the Supplier must adhere strictly to them. The Supplier knows that deadline delays can cause grave consequences with significant costs culminating in a halt in the production line. Therefore, the Supplier is bound to employ all measure to avert a deadline delay and shall immediately inform SMP of any impending delay in delivery, stating duration and reasons. Such notification does not reclassify a delay.
- The acceptance without reservation of the delayed delivery contains no waiver to claims for compensation and damages due to SMP.
- In the event that the Supplier does not supply the goods on time, SMP will have the right to quote those goods with third parties, in order to acquire goods that have not been provided on time. In that case the Supplier shall be responsible for paying any difference to SMP arising between the original cost of the good and its cost of purchase through third parties, including transport, loading, unloading and generally any additional costs or expenses.

If the Supplier falls behind on the agreed upon delivery dates of the goods, the Supplier shall have to pay to SMP expenses, cost, damages, losses, lost profits and generally any amount generated for each calendar day in the delay for delivery of the goods.

IV. Deliveries

- Each shipment shall include a delivery note in duplicate, clearly indicating the order detail (at a minimum the order number + SMP material number). Any violation of this obligation by the Supplier may result in delays and/or additional processing cost for which the Supplier will be held accountable.
- Unless expressly agreed otherwise, no charges shall be levied for delivery and the Supplier shall bear all risks and expenses.
- SMP's Packaging Guidelines (see Supplier Requirements Manual) must be observed.
- If the Supplier fails to comply with its obligations within the deadline or does not entirely comply, SMP shall be entitled to exercise its rights pursuant to herein stated. If SMP extends any deadline without obtaining results, SMP shall be entitled to terminate or rescind the respective order or contract without any further liability on its part. In any case SMP may cancel any order at any time in the event of any breach or delay in the delivery periods agreed upon by parties.
- In addition, in the event that Supplier does not deliver to SMP the goods or services according to the stated herein and/or in the corresponding orders, SMP will be entitled to charge automatically to Supplier the list of administrative charges and/or costs, according to the indicated by SMP at the proper time. Nevertheless, the aforementioned, shall not be considered as a limit on the Supplier's liability; therefore, if applicable, SMP may request payment of damages and/or loss of profits caused.

V. Prices

- The agreed prices are fixed prices and, unless expressly agreed otherwise, include delivery, packaging and insurance.
- The unit price for delivery goods are listed in the quotation and orders of SMP.
- With the stipulated unit price, all Supplier costs and services in relation to the fulfilment of the stipulated delivery orders are satisfied. Additional costs exceeding the unit price are only refunded to the Supplier if the parties have expressly agreed to this in writing.

VI. Invoices

- Invoices must be submitted, clearly stating the number of our order. Any violation of this obligation by the Supplier may result in delays and/or additional processing cost for which the Supplier will be held accountable.
- Any invoice issued by Supplier shall comply with all requirements set forth in the applicable legislation.

VII. Payment

- A payment issued by SMP shall not imply an acceptance of the goods. Supplier will

promptly submit correct and complete invoices with appropriate supporting documentation and other information reasonably required by SMP after delivery of goods. The payment shall be made as long as the invoices do not have any error or omission, otherwise this shall be a justified cause to delayed payment.

- Unless otherwise agreed in the orders / delivery schedules, SMP will pay the invoice amount minus a 3% cash discount on the 30th of the month following the month of the delivery, provided that goods and invoice have been duly received. If premature deliveries are accepted, payment shall be due in accordance with the agreed delivery date.
- The decisive date for compliance with the agreed payment terms shall be the date payment is made.
- Any payment shall be made through electronic transference of funds to the bank account that previously indicates by writing the Supplier. For a payment to be approved, the Supplier shall comply with the conditions stated herein, and deliver goods ordered by SMP in due time and form together with the corresponding invoices.

VIII. Certificates of origin, supporting documentation for VAT purposes, Export restrictions

- The Supplier shall immediately provide SMP with any certificates of origin requested by SMP, duly signed and including all required information. The same shall apply mutatis mutandis to all supporting documentation for VAT purposes for any international and EC deliveries.
- The Supplier shall immediately inform SMP of any delivery subject in full or in part to export restrictions under Mexican or any other law.

IX. Quality and documentation

- The Supplier shall ensure that his deliveries are in accordance with established engineering practice, safety and other regulations, the agreed specifications (including DIN standards), as well as any representations made as to the properties of the goods. Any modifications to the contractual item require prior written approval.
- With regard to initial sample tests, we refer to the latest version of the VDA Publication Volume 2 "Quality Assurance for Supplies". Deliveries from series production must not commence until samples are approved by SMP. The Supplier's obligation to perform continuous quality audits and undertake continuous optimisation measures of the contractual items shall remain unaffected by such an approval. The parties to the contract shall inform each other about potential quality improvement measures.
- Unless the Supplier and SMP have firmly agreed upon the nature and scope of tests, as well as test equipment and methods, SMP shall be prepared to discuss the tests with the Supplier at the request of the Supplier within the boundaries of its knowledge, experience and possibilities in order to determine the required standard of testing in each instance.
- In addition, the Supplier shall maintain separate records of the date and method of any tests of any contractual items' properties requiring documentation, the person performing such test and the results with respect to the required qualities for any parts carrying special labels, e.g. "D", "A" or "Control Item", in the specifications and in particular in any separate agreement. The test documents shall be retained for 15 years following delivery of the parts and shall be furnished to SMP if required. The Supplier shall impose the same obligation on subcontractors, insofar as is legally permissible. VDA Publication Volume 1 "Documentation and Archiving - Code of practice for the documentation and archiving of quality requirements and quality records", Frankfurt a.M., shall serve as instruction.
- The SMP production material specifications of the "Supplier Requirements Manual" constitute an integral part of any supply contracts between SMP and its Suppliers and a supplement to the General Terms and Conditions of Purchase, in particular with respect to (i) quality planning procedures and methods, (ii) any activities prior to the commencement of series production, (iii) the listed quality assurance measures during series production. If any of the provisions are contradictory, the provisions of the "Suppliers Requirements Manual" shall take precedence over the provisions of the General Terms and Conditions of Purchase.
- The Supplier shall independently and completely enter the documentation of the raw material used for his products in the official IMDS database without incurring any charge for SMP.

X. Notice of defects/warranty

- On the basis of the Supplier's inspection of outbound goods, SMP shall inspect incoming goods only with respect to identity, part number and externally visible transport damage. Any other defects discovered in the ordinary course of business will be notified to the Supplier immediately after their discovery. The Supplier shall therefore waive the defence of delayed notice of defects.
- The warranty period shall be 36 months from the date of delivery to SMP, unless agreed otherwise in the contract. SMP shall be entitled to assert all statutory warranty claims in full. SMP's entitlement to claim either remedy of defects or a replacement delivery free of defects shall remain unaffected by the above. In this event, the Supplier shall bear all necessary expenditures incurred through such remedy of defects or replacement delivery. SMP retains the right to claim damages. Damages also include any costs billed to SMP in the event of defective deliveries due to warranty agreements between SMP and its customers.
- The Supplier shall reimburse SMP and/ or its customers for all quality costs and expenses incurred as a result of a defective goods delivery. Quality costs and expenses includes internal and external costs and expenses incurred by SMP and/or its customers as a result of a defective goods delivery.

XI. Product liability

- The Supplier guarantees that the goods fulfil the stipulated requirements of SMP and that they have no defects that will lessen or cancel out their value or their efficiency for the specified use, including warranties of merchantability and fitness for the particular purpose they were designed for, selected and manufactured. This guarantee is also extended to the materials and vendor parts used by the Supplier for the manufacturing and delivery of the goods.
- If any legal action is taken against SMP on the basis of product liability under Mexican or any other law, the Supplier shall hold SMP harmless from all claims to the extent to which he would be directly liable. Any further contractual or legal liability of the Supplier shall remain unaffected.
- The Supplier shall be liable for any measures taken by SMP in order to avert damage, e.g. any recall campaign, insofar as the Supplier is under a legal obligation.
- SMP shall immediately inform the Supplier of his intention to hold the Supplier liable for any claim according to the aforementioned paragraphs. SMP shall give the Supplier the opportunity to investigate the claim and agree measures with SMP (e.g. settlement negotiations).
- If the Supplier defaults on a delivery date, delivered volume, deadline quality or less performance than requested, the Supplier is liable to SMP and its clients. In case the

Supplier incurs on any of the aforementioned circumstances, the Supplier is bound to pay immediately after the payment requirement made by SMP, all the charges derived of the lack of quality in the goods or services, the originate costs of the client's claims about the goods with lack of quality and/or any travel or transportation expenses. In virtue of the aforementioned, the parties agree and acknowledge that if the Supplier falls behind on the agreed upon delivery dates and/or quality of the goods or services, the Supplier shall have to pay to SMP the expenses, charges, costs, and any other amount generated, according to the list of charges, expenses and costs that SMP issues. Parties agree that SMP at any time, may establish, issue, inform and/or indicate any list and/or catalogue of charges, expenses and costs, only with the notification made by SMP to Supplier; once the above, will be subject to these General Terms and Conditions of Purchase. The list and/or catalogue of charges, expenses and costs, that SMP issues at any time (if applicable), should not be understood as a limit on the Supplier's liability. SMP might request payment of damages, penalties, losses, loss of profits, compensation, etc., arising from the Supplier's breach. Notwithstanding the aforementioned, if the Supplier defaults on a delivery date, the Supplier is bound to pay immediately after the payment requirement made by SMP, a fine of 1% of the order amount. The fine shall not affect the right of SMP to claim further damages caused by the delay in accordance with the stated herein.

6. SMP is entitled to claim, sue and repeat against the Supplier in all cases, in which the customers of SMP asserts claims against SMP and these were caused by the defective goods and/or if this goods not delivered in due time and proper course. Furthermore, the Supplier must pay the damages, loss profits, indemnifications, costs and expenses derived of these cases according to herein stated.

XII. Third party intellectual property rights

1. The Supplier shall guarantee that the delivered goods are free of any third party rights or claims pertaining to industrial and other intellectual property in the country of destination. The country of destination is deemed to be Mexico, unless a different delivery address is stated. The Supplier shall not be entitled to claim relief on grounds of SMP's prior knowledge of the existence of third party rights and claims in the country of destination.
2. The Supplier is liable for the violation of any third party property rights caused by the goods.

XIII. Means of production, drawings, design specification, tools

1. Drawings and other documents, fixtures, models, tools and other means of production provided to the Supplier shall remain property of SMP. The ownership of tools and other means of production paid for by SMP shall be conferred to SMP. This shall be effected by a separate transfer of title or a separate tool contract.
2. The aforementioned objects may neither be scrapped without the written approval of SMP nor be made accessible to third parties, e.g. for manufacturing purposes. They may not be used for any other purposes than contractually agreed - e.g. delivery to a third party. The Supplier shall store such objects at his expense for SMP carefully for the duration of contract performance.
3. Handling, maintenance and partial renewal of the aforementioned objects shall conform to the relevant agreements between SMP and the Supplier.
4. SMP reserves all rights pertaining to drawings or products produced in accordance with SMP specifications as well as processes developed by SMP. The Supplier shall immediately provide SMP with all necessary information and documentation in this context, insofar as these are required for filing a registration of industrial property rights.

XIV. Force majeure / withdrawal

1. In the event of force majeure, strike, lockout or any other major disturbance in operations and distribution, SMP shall be entitled to withdraw from the contract in full or in part without compensation, or to reasonably defer acceptance of deliveries or services, giving due consideration to the interests of the Supplier.
2. The same shall apply if the Supplier becomes insolvent or a petition for an insolvency order or similar proceedings be presented against the Supplier under the law applicable to the Supplier, or in the event of substantial deterioration of the Supplier's financial situation.
3. In the event of withdrawal - for any cause in law whatsoever - SMP shall be entitled to return deliveries at the Supplier's expense and risk or to store such deliveries with a third party, regardless of circumstance.

XV. Retention of title

1. SMP shall retain the title to all parts provided to the Supplier. Any processing or transformation shall be performed by the Supplier for SMP. If such parts are processed or mixed, SMP shall acquire joint ownership of the new products in proportionate value of the objects belonging to SMP to the value of the other processed parts at the time of processing.

XVI. Setoff / right of retention

1. The Supplier is only entitled to offset against counterclaims which are uncontested or legally established; he shall only be entitled to assert a right of retention insofar as this is based on uncontested or legally established counterclaims arising from the same contractual relationship.
2. SMP shall be entitled to offset all claims, including receivables from bills of exchange and cheques, against all claims of the Supplier against SMP.

XVII. Applicable law / language of the contract / partial invalidity / place of performance

1. All legal relationships between the parties to the contract shall be governed by the laws of Mexico, excluding the provisions of the law on conflict of laws under international private law and excluding the provisions of the UN Convention on the International Sale of Goods (CISG). The contract shall be executed in both, English and Spanish versions, being both binding to Supplier, in the understanding that in case of doubt in relation to the adequate interpretation of the contract, the Spanish version shall govern at all times.
2. If any individual provision of this contract is or becomes invalid, the validity of the other provisions shall remain unaffected.
3. The place of performance for the deliveries shall be the relevant receiving agency. The place of performance for any payment obligations shall be the State of Puebla, México.

XVIII. Place of jurisdiction

1. The exclusive place of jurisdiction for all disputes arising from the contractual relationship shall be the State of Puebla, Mexico, therefore waiving any other jurisdiction or legislation that may correspond to them due to their present or future address or due to any other reason.

XIX. Labor Liability.

1. The Supplier shall be individually liable for each and all obligations imposed by the labor, social security and tax legislation, and other applicable provisions in the United States of Mexico and abroad, in connection with the personnel hired by the Supplier for the performance and compliance of these General Terms and Conditions of Purchase. Therefore, the Supplier undertakes to hold SMP harmless, as well as to individually be liable for any claim, complaint, report and/or lawsuit in general against any type of requirement from any judicial and/or administrative authority imposed to its collaborators, employees, subcontractors in a descriptive but not limited way in general any type of individual hired by the Supplier to completely or partially comply with the provisions herein, including the subcontractors. Therefore, the Supplier agrees to immediately reimburse to SMP the total damages, costs and fees incurred by SMP in defending itself, as provided in this Clause.
2. Likewise it is obligation of the Supplier to compensate any damage caused to SMP or to customers due to non-compliance of any of its obligations in labor and social security matters, arising from the performance of these General Terms and Conditions of Purchase; therefore, the Supplier is bound to immediately indemnify to SMP and the customers as the case may be for all the expenses incurred by them for such purpose. The aforementioned independently of the actions of civil, penal, administrative and/or any other nature that it will help them lodge. Parties do not consider as labor middlemen, at any time or under no circumstance, since each of them are responsible of their own personnel, employees, subcontractors, etc.

XX. Competitiveness.

1. During the term of this General Terms and Conditions of Purchase, the Supplier is urged to continue to maintain and improve its competitiveness especially with regard to its technology, quality, prices, delivery, and reliability.
2. If a competitor of the Supplier submits a better offer to SMP (hereinafter referred to as "Competitor's offer"), SMP will be entitled to present the Competitor's offer to the Supplier, and to request that the Supplier matches or improves the existing conditions to the Competitor's offer within a period of 3 (three) months from the date of notice of the competitor's offer to Supplier. Within a month after receipt of the aforementioned in writing, the Supplier is bound to notify in writing to SMP as to whether is ready or not to match or improve the conditions within the aforementioned 3 (three) months period. If the Supplier does not state in writing and in due time that it agrees to match or improve its conditions to the Competitor's offer, SMP is entitled, without any liability, to cancel the delivery items affected by the Competitor's offer and therefore ask the Supplier to stop the delivery of goods or services with a 3 (three) months prior notice to the Supplier to the date where the delivery goods are to be canceled. If the Supplier does not completely implement the improved conditions despite the consent and in due time, SMP is entitled to cancellation of the purchase order and/or the delivery goods and/or services affected by the competitive offer without notice and without any further liability.

General Terms and Conditions of Purchase (for all other materials and services)

A. General provisions

1. The entire business relationship shall be governed by the following General Terms and Conditions of Purchase (General Terms and Conditions; hereinafter referred to as Terms of Purchase) of SMP Automotive Systems México S.A. de C.V., however restricted to Suppliers pursuing commercial or self-employed business activities at the point of conclusion of the contract, legal entities under public law and special funds under public law.
2. The SMP Terms of Purchase also apply to all future business relationships, even if these have not yet been expressly agreed. General terms and conditions of the Supplier are not accepted, unless their application has been expressly agreed with SMP in writing.
3. Any deviations from these Terms of Purchase shall only become effective if they are confirmed in writing by SMP. These Terms of Purchase shall also apply if SMP accepts any deliveries by the Supplier in the knowledge of any conflicting or deviating terms of the Supplier without reservation.
4. All agreements that we and the Supplier enter into for the purpose of performance of this contract must be stated in writing in this agreement.

B. Quotations, quotation documents

1. The Supplier is obliged to accept any order from SMP within a period of two weeks, unless any other periods of acceptance have been agreed in individual cases. If the Supplier fails to accept an order in due time, SMP shall be entitled to cancel the order.
2. SMP shall retain property rights and copyrights of all images, drawings, calculations and other documents. All documents provided by SMP to the Supplier in connection with quotation preparation and/or contractual cooperation are provided as a loan; they must not be made available to a third party without the express written approval of SMP. They shall be used exclusively for manufacturing in accordance with the order by SMP and be returned without further request once the order has been fulfilled. Due to confidentiality obligations, the provisions of Section I. paragraph 4 shall apply.

C. Prices, invoices, payment terms, assignment

1. The price stated in the order is binding. Unless agreed otherwise, the price includes delivery/DPP (Incoterms 2000) and packaging. A return of packaging material requires a separate agreement.
2. The statutory value added tax is included in the price.
3. Unless otherwise agreed in writing, the purchase price shall be payable within 14 days after delivery and receipt of invoice minus a 2% cash discount, or within 30 days after receipt of invoice net.
4. Invoices must state the order number shown on the order in accordance with SMP's specifications and have comply with the fiscal requisites stated in the applicable legislation. The Supplier shall be responsible for any consequences resulting from non-compliance with this obligation, unless he is able to prove that he is not answerable for such non-compliance.
5. The Supplier is only entitled to offset against counterclaims which are uncontested or legally established; he shall only be entitled to assert a right of retention insofar as this is based on uncontested or legally established counterclaims arising from the same contractual relationship.
6. The client shall be entitled to offset all claims, against all claims of the Supplier against the client.
7. The Supplier shall not be entitled to assign his claims against SMP or have them collected by a third party, unless with the prior written consent of SMP which may not be

unreasonably denied. In the event of an extended reservation of title, consent is deemed to be given. If the Supplier assigns his claims against the buyer to a third party in violation of clause 1 without the latter's consent, the assignment shall be effective nonetheless. However, SMP may make payment to the Supplier or the third party at its own discretion with the effect of discharging the debt.

D. Lead time

1. The lead time stated in the order is binding.
2. The Supplier is obliged to notify SMP immediately in writing if any circumstances arise or become apparent which indicate that the agreed delivery time cannot be met. Such notification does not reclassify a delay.
3. In the event of strike, lockout, disruptions of operations or any other circumstances for which SMP is not answerable but which may affect SMP's interest in the deliveries or services of the Supplier, SMP shall be entitled to revoke the contract in full or in part, or demand postponement of delivery. No claims against SMP shall arise from such measures.

E. Delivery documents

The Supplier is obliged to state SMP's order number on all shipment documents and delivery notes; if he fails to do so, SMP shall not be answerable for any delays in processing.

F. Inspection of goods

1. SMP is obliged to inspect the goods for potential quality or quantity deviations within a reasonable period of time; the notice of defect shall be deemed in due time if it is received by the Supplier within a period of 5 working days after the receipt of the goods or, in the event of hidden defects, from the date of detection. SMP shall notify the Supplier immediately of any defects detected during the incoming goods inspection, as well as any defects detected at a later time.
2. The Supplier shall reimburse SMP and/or its customers for all quality costs and expenses incurred as a result of a defective goods delivery. Quality costs and expenses includes internal and external costs and expenses incurred by SMP and/or its customers as a result of a defective goods delivery.

G. Liability for defects

1. SMP shall be entitled to assert all warranty claims in full. In particular, SMP shall be entitled to demand, at its discretion, remedy of defects or delivery of goods free from defects from the Supplier at the Supplier's expense. SMP expressly reserves the right to claim damages; in particular, the right of compensation in lieu of performance.
2. SMP's claims due to a defect of the delivered goods shall become time-barred after 5 years for any products typically intended for construction work, where the intended use has resulted in its deficiency, otherwise within 3 years after delivery.

H. Product liability, exemption, liability insurance cover

1. The Supplier hereby guarantees to SMP that goods hereunder have the highest quality level in accordance with the industrial regulations both Mexican and foreign, taking into consideration the specifications requested by SMP; therefore the Supplier undertakes, from now on, to be liable at any time, before any third party in regard to any defect arising at any reasonable time, holding SMP harmless from any obligation, and compensating SMP in the event of any future claim filed by third parties. In order to comply with the quality requirements, the Supplier shall pursue a zero defect strategy. The goal of the zero defect strategy is to continuously improve all activities and processes in an effort to avoid defective deliveries.
2. Insofar as the Supplier is responsible for any product damage, he shall be obliged to hold SMP harmless from any third party liability claims as far as the cause lies within his area of control and responsibility.
3. Within the scope of his liability for damage in terms herein stated, the Supplier shall be obliged to reimburse the damages and loss of profits that may be caused to SMP. SMP shall inform the Supplier of the content and extent of the measures taken in connection with a recall campaign - insofar as is practicable and reasonable - and give the Supplier the opportunity to comment. Other statutory entitlements shall remain unaffected. If any other claims are raised against SMP due to a defect of the product delivered by the Supplier, SMP shall be entitled to assert the right of recourse against the Supplier.
4. The Supplier undertakes to conclude an adequate third party liability insurance in order to cover such claims and furnish proof of such cover to SMP upon request.

I. Retention of title, tools, confidentiality obligations

1. SMP shall retain the title to all parts provided to the Supplier. Any processing or transformation shall be performed by the Supplier for SMP. If goods subject to retention of title are processed together with other goods not owned by SMP, the latter shall acquire joint ownership of the new products relative to the proportionate value of the goods subject to retention of title into the value (purchase price plus VAT) of the remaining processed goods at the time of processing.
2. If goods provided by SMP are inseparably mixed with other goods not owned by SMP, the latter shall acquire joint ownership of the new products relative to the proportionate value of the goods subject to retention of title into the value (purchase price plus VAT) of the remaining mixed goods at the time of mixing. If products are mixed in such a manner that the Supplier's good would be deemed the principal thing, it shall be considered agreed that the Supplier will confer proportionate joint ownership to SMP; the Supplier shall safeguard sole ownership or joint ownership for SMP.
3. SMP shall retain the title to all tools, fixtures and other objects ("tools") provided to the Supplier for production; the Supplier is obliged to use these tools exclusively for manufacturing the goods ordered by SMP. The Supplier shall be obliged to insure all tools owned by SMP against damage resulting from fire, water and theft at his own expense. The Supplier shall also assign all rights to compensation from his insurance to SMP at the point of conclusion of the contract; the latter herewith accepts such assignment. The Supplier shall be obliged to carry any maintenance and inspection works of the tools owned by SMP that may be required, as well as all servicing and repair work in due time at his own expense. He must inform SMP immediately of any potential malfunctions; rights to compensation shall remain unaffected by any culpable failure to notify.
4. The Supplier shall be obliged to maintain strict secrecy of all images, drawings, calculations and any other documents he has received. These may only be disclosed to a third party with SMP's express consent. Confidentiality obligations shall remain effective beyond the completion of this contract; they shall cease only when and insofar as the manufacturing know-how contained in the provided images, drawings, calculations and other documents has become public knowledge.
5. Insofar as the security interests that SMP is entitled to pursuant to clause 1 and/or clause 2 exceed the purchase price of the goods not yet paid for by more than 10%, SMP shall be obliged, upon request by the Supplier, to release security interests at its discretion.

J. Place of jurisdiction, place of performance, applicable law

1. The place of performance for the contractual obligations of SMP (in particular its payment) shall be at its registered head office.
2. The exclusive place of jurisdiction shall be the State of Puebla, México, waiving any other jurisdiction or legislation that may correspond to them due to their present or future address or due to any other reason.
3. These Terms of Purchase and the entire legal relationships between SMP and the Supplier shall be governed by Mexican law to the exclusion of the United Nations' purchasing law (Vienna UN Convention of April 11, 1980). The Terms and Conditions shall be executed in both, English and Spanish versions, being both binding to Supplier, in the understanding that in case of doubt in relation to the adequate interpretation of the Terms and Conditions, the Spanish version shall govern at all times.
4. If any individual provision of this contract is or becomes ineffective in part or in full, the effectiveness of the remaining provisions of this contract shall remain unaffected.

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