



GENERAL CONDITIONS OF SALE ARTECHE NORTH AMERICA, S.A. DE C.V.

1. PURPOSE

1.1. These General Conditions of Sale (hereinafter, the Conditions) include the terms and conditions that will apply to any and all of the offers related to the purchase and sale of products and the provision of related services (hereinafter indistinctly referred as "Offer" or "Offers") made by ARTECHE NORTH AMERICA, S.A. DE C.V. with address in Km 73+540 Antigua Carretera Federal México-Querétaro, Colonia Tlaxinacalpan, Tepeji del Rio de Ocampo, Hidalgo, RFC: INE 911127 JG1 (hereinafter ARTECHE), except in everything that is otherwise expressly agreed in the particular Offer or in the acceptance of the corresponding order (hereinafter, the "Order Acceptance Sheet"). Consequently, any other conditions that have not been expressly accepted by ARTECHE are void for all purposes, and in the event of any conflict between what is established in these Conditions and any general purchase conditions to be applied by the Purchaser, the provisions set forth in this document will prevail for the simple fact of placing the order, without updating a new offer.

1.2. It will be deemed that this Conditions have been notified to the Purchaser from the moment it receives an Offer from ARTECHE accompanied by these Conditions. In the case of a recurring Purchaser, they will be deemed as notified if previously received by the Purchaser during the course of the commercial relationship with ARTECHE, being in all cases considered as accepted by the Purchaser, for all purposes, when placing the order.

1.3. ARTECHE may modify these Conditions at any time through a written notice to the Purchaser. Modifications will only be effective for those Orders that are placed after said notification. Such modifications will be deemed accepted in the same manner as these Conditions.

1.4 Except as otherwise provided in these conditions, the days contained therein are calendar days.

2. ACCEPTANCE AND VALIDITY

2.1. The validity period of the Offers made by ARTECHE will be of thirty (30) days after sending the same to the Purchaser, except as otherwise expressly stated in the Offer.

2.2. Any order made by the Purchaser based on an Offer of ARTECHE, must be made in writing and will be accepted subject to these Conditions in terms of section 1.1.

2.3. Once the order has been placed by the Purchaser, ARTECHE will send an email which will include (i) the "Order Acceptance Sheet", which will contain the specific conditions of the same; and (ii) these Conditions. After a maximum period of 2 (two) days, for loose equipment ("relays, blocks, GPS, protections, meters, control devices, monitoring devices, automation devices, sensors") and 8 (eight) days for systems ("reactive compensation systems, harmonic filters, reactors, reclosers, protection and control systems") and any other equipment not described, provided the "Order Acceptance Sheet" and other documentation has not been excluded or rejected, the order will be deemed accepted and subject to these Conditions.

2.4. Everything that is not contemplated in the initial order made by the Purchaser will be understood as not included in the same, being therefore, expressly excluded from the placed and accepted order. The parties must agree any addition or modification to the Order in writing.

2.5. ARTECHE expressly reserves the right to make the necessary changes to the order, derived from technical reasons. These changes will be timely notified to the Purchaser, who will have a period of 3 (three) days to reject them, and after said period, the changes will be considered accepted. In the event of rejection, ARTECHE may reject the corresponding order.

3. DELIVERY TERM.

3.1. Except as otherwise expressly stipulated in the Order Acceptance Sheet, the product or equipment will be delivered EXW (Ex Works) (2010 INCOTERMS of the ICC) at its manufacturing plant (according to the instructions of ARTECHE), therefore, they will be considered delivered from its availability to the Purchaser at the location of said plant.

3.2. Except as otherwise expressly agreed by the parties, the delivery terms of the products or the provision of services will begin after any amount that has been agreed upon as an advance payment has been covered and provided ARTECHE has all the technical and commercial information necessary for the implementation of the order, therefore, the terms set forth in the Order Acceptance Sheet, or in the Offer, will be considered as mere estimates, having to adjust the number of days depending on how long it takes the Purchaser to pay the advance payment and deliver the stipulated information to ARTECHE.

3.3. When there are causes attributable to the Purchaser or third parties that cause a delay in the delivery, ARTECHE does not guarantee the delivery on the date specified in the Order Acceptance Sheet, and therefore, it will not incur in any liability.

3.4. When the parties agree that the delivery is not EXW, the Purchaser will be obliged to clearly establish and identify in the Order the information of the recipient, otherwise, it will be understood that the delivery has been validly made at the place that appears in the Order Acceptance Sheet.

3.5. Delays in the delivery terms established in the Order Acceptance Sheet will not entitle the Purchaser to claim any compensation or penalty, except as otherwise expressly agreed.

3.6. Any modification to the initial order will result in a review of the delivery term of the products or the provision of the services, as well as their price, and must be approved in writing by both parties before making the mentioned modification.

3.7. ARTECHE may make partial deliveries, except as otherwise explicitly agreed. In the event of a partial delivery, the Purchaser cannot terminate the entire agreement in the event of failing to deliver in one or more terms.

4. PRICE.

4.1. The price that the Purchaser must pay for each of the orders placed will be stipulated in the Order Acceptance Sheet, or in its absence, in the Offer, and it will be paid in the manner and term specified in the same.

4.2. Except a different percentage is expressly established in the Order Acceptance Sheet, or in its absence, in the Offer, any order will be subject to a minimum advance payment of 30%. Failing to pay the advance payment releases ARTECHE from any obligation derived from the Order Acceptance Sheet, or in its absence, from the Offer.



GENERAL CONDITIONS OF SALE ARTECHE NORTH AMERICA, S.A. DE C.V.

4.3. Except as otherwise stipulated in the Offer or the Order Acceptance Sheet, the price is considered net and does not include: (i) value added tax (VAT), (ii) any other similar tax, (iii) special packaging of the material that may be requested by the Purchaser, and (iv) any other taxes or application charges outside Mexico in relation to the performance of the agreement.

4.3. Except any other INCOTERM is stipulated in the Order Acceptance Sheet, or in its absence, in the Offer, prices correspond to the merchandise delivered EXW (2010 INCOTERMS of the ICC).

4.4. The invoice or invoices originated due to the payment form agreed between the parties will be electronically submitted in accordance with the provisions of the Mexican tax law.

5. PAYMENT

5.1. Except another term is stipulated in the Order Acceptance Sheet, or in its absence, in the Offer, the payment of each invoice must be made within a maximum term of thirty (30) days as of the date of receipt thereof, pursuant to the delivery criteria and delivery terms set forth in the third and fourth sections.

5.2. The Purchaser must process a performance bond of its payment obligations in favor of ARTECHE, for the value of the order minus the advance payment, except as otherwise agreed between the parties and provided the Purchaser provides another type of payment guarantee that is sufficient to ARTECHE.

6. STORAGE IN FACTORY

6.1. Once the manufacturing of the orders is completed, the goods subject to said orders cannot remain in the warehouses of ARTECHE for a period greater than three weeks.

6.2. In the event that for reasons not attributable to ARTECHE the goods subject matter of the finished orders remain in their warehouses for a longer period, the storage service will have a cost per cubic meter per week or fraction of a week determined by ARTECHE and notified to the Purchaser, which will be deemed accepted by the Purchaser if it fails to remove the merchandise from the warehouse within said period. The Purchaser, prior to the delivery of the merchandise, must pay the storage costs.

6.3. In any case, the maximum storage period may not exceed six months from the moment the order has been completed, at which point ARTECHE will not be responsible for the conservation or the integrity of the equipment in its premises, without this releasing the Purchaser from its payment obligation.

7. PENALTIES

7.1. In the event the Purchaser fails to pay the invoices issued by ARTECHE in accordance with these Conditions, a delinquent interest equal to the Libor Rate plus 6 (six) points for each month or fraction of a month for the duration of the breach and until payment is made will be updated in favor of ARTECHE.

7.3. In the event the Purchaser fails to pay on time the agreed payments, ARTECHE may suspend temporarily or definitively, at its discretion, the manufacture or delivery of the material or equipment subject matter of the Offer, without prejudice of requesting the Purchaser to make the late payments and to

claim, where appropriate, additional compensations for the suspension.

7.4. In the event a maximum delivery period is established in the order placed by the Purchaser, and in the event that ARTECHE agrees in writing, the penalties to be applied to ARTECHE for failing to comply with the same and the consequent delay, will be limited to a maximum of 0.5% per full week of delay applied on the value of the delayed equipment and with a maximum penalty limit of 10% on the total value of the order, and for each order. The application of the aforementioned penalties will be considered as the total claim that corresponds to the Purchaser for damages, without any other charge for another concept.

8. ORDER CANCELLATION

8.1. In the event the order is cancelled by the Purchaser, and for reasons beyond ARTECHE, the amount to be paid by the Purchaser will depend on the status of the order, being the following valuation applicable, unless otherwise agreed between the parties:

- Up to 10% of the delivery term, no cost will be required; provided the material purchased for the order is less than 10%.
- Up to 30% of the delivery term, 20% of the order value.
- Up to 50% of the delivery term, 50% of the order value.
- Up to 80% of the delivery term, 100% of the order value.

8.2. Notwithstanding the payment of the above mentioned percentages, the Purchaser will be solely responsible for the payment of any penalty incurred by ARTECHE due to the cancellation of the agreements with its suppliers, which result from the cancellation of the AGREEMENT.

9. DOCUMENTATION

9.1. ARTECHE will provide with each order a maximum of one original and two copies of the following documentation (where applicable):

For equipment:

- Packing list or delivery note/list.
- Commercial invoice.

For systems:

- Packing list or delivery note.
- Commercial invoice.
- Blueprint of general dimensions.
- Waterproofing plate.
- Wiring diagrams.
- Routine test protocols.
- Instructions for transportation, installation and maintenance.

9.2. In the event of requesting additional documentation to that stipulated in the previous list, the Purchaser must request it in writing to ARTECHE, and said documentation will be provided, invoiced and charged separately to the order, unless otherwise agreed by the parties.

9.3. Technical documents such as drawings, descriptions, reproductions, as well as any indications of weight, are for guideline purposes only, unless ARTECHE expresses its mandatory character.

9.4. In relation with each Offer, any information that may be known by ARTECHE and the Purchaser in connection with this Agreement, in any mean, format or support, including its oral form or by its own inspection, directly or indirectly, will be



GENERAL CONDITIONS OF SALE ARTECHE NORTH AMERICA, S.A. DE C.V.

considered "confidential information" and property of the party providing the information. The confidentiality obligation will remain in effect for a maximum period of five years after the completion or cancellation of the order, regardless of the cause.

9.5. Failure to comply with the obligation contained in clause 9.4 by any of the parties will entitle the other party to request the corresponding compensation for damages that the unauthorized use of the "confidential information" could have caused.

9.6. In the event that due to the nature of the order it is necessary that ARTECHE processes a performance bond for its obligations, it will be processed through its broker. In the event the Purchaser requires that a broker other than that of ARTECHE contracts the bond, the costs generated by such action will be borne by the Purchaser. In any case, the bond policies will only be issued for orders that must be delivered in national territory.

10. RECEPTION

10.1. Each of the items included in each order will be fully tested in the laboratories of ARTECHE prior to their delivery, issuing the corresponding routine testing certificates in accordance with the testing standards established in the order. These tests will not include individual tests on each of the equipment or parts supplied by third parties to ARTECHE, which in turn comprise the elements of each order.

10.2. Except under special conditions, the inspection by the Purchaser or one of its delegates of the merchandise to be supplied will be performed in the workshops of ARTECHE, and only if it has been expressly agreed. In this inspection, the repetition of the tests will be carried out on a maximum of 10% of the units of the order or a maximum of one unit per box.

10.3. The inspection of the merchandise is a service not included in the price of each order and therefore, it will be budgeted and invoiced separately in addition to the price of the order. Also, the inspection carried out will not, in any event, entitle the Purchaser to reject or dismiss the order, except under the provisions expressly stipulated in this Agreement or the Offer.

11. TESTS BY TYPE

11.1. ARTECHE may, at the request of the Purchaser, provide certificates of the tests of identical or similar equipment to those comprising, where applicable, each of the elements included in each order, as well as calculations justifying the suitability of the certificates submitted. These certificates may come from well-known laboratories, including the laboratories of ARTECHE.

11.2. The test by type certificates, by their own nature, may slightly vary with respect to the finally delivered product, without this entitling the Purchaser to any claim.

11.3. The performance of tests by type or special tests will not be included in the provision of the services and will be budgeted and invoiced separately, except as otherwise agreed.

12. PACKAGING

12.1. The standard packaging used is made of wood, shrink-wrap or cardboard, as appropriate and at the discretion of ARTECHE, unless the Purchaser expressly stipulates other

specifications in the order. The packaging list will indicate the characteristics of the packaging.

12.2. In the event the order is changed and such change affects the type and size of the packaging, the Purchaser must pay the additional costs that said changes generate.

12.3. The packaging price includes the standard marking by ARTECHE: label indicating the content of the box, the delivery address and marks (free text defined by the Purchaser).

12.4. In the event the Purchaser had greater needs or a specific type of packaging, it must be expressly consulted and will be borne exclusively by the Purchaser.

12.5. The party responsible for the delivery of the packaging waste or used packaging, for its proper environmental management, will be the final holder, who must follow the legislation in effect in the country in question. ARTECHE is expressly released from any environmental management liability resulting from the packaging waste or used packaging, being in any case the sole responsibility of the Purchaser.

13. RISK.

13.1. Except where otherwise provided, the product or equipment will be delivered EXW (2010 INCOTERMS of the ICC). The risk of loss or damage to the merchandise, property, insurances, etc., will be construed in accordance with the scope of said INCOTERM, except in relation to what is established in the Order Acceptance Sheet, or in its absence, in the Offer.

13.2. Unless otherwise agreed by the parties, the transportation, packaging and handling costs will be paid by the Purchaser in accordance with the applicable rates of ARTECHE when those services are contracted. Insurance costs during transportation are borne by the Purchaser, unless otherwise agreed.

14. CLAIMS.

14.1. Claims will only be accepted if they appear on the delivery document of the carrier and ARTECHE is responsible for the transportation. If nothing is specified in the mentioned document, it will be considered that the delivery of the merchandise or equipment has been carried out without any problem, that it has not suffered any loss or damage and that, consequently, the condition of the merchandise is suitable.

If there is a claim, it must be made according to the following deadlines:

a. Evident damage, at the time of delivery. At the time of receiving the merchandise the Purchaser must indicate such event in the transportation document (CMR for land transportation, BIL for maritime transportation and AWB for air transportation), and send, if possible, photographs of the event.

b. Hidden damages, within 7 days after delivery.

14.2. These claim deadlines will be applicable provided the damages are not the result of an Act of God or force majeure, fraud or misuse of the products by the Purchaser.

14.3. The established deadlines will not be extendable, therefore, the Purchaser loses its right to make any claim if said deadlines are not respected.

14.4. For all purposes it will be considered that the merchandise or equipment have been received by the Purchaser if, upon agreeing on reception tests, said tests are not carried out within the stipulated period for reasons not



GENERAL CONDITIONS OF SALE ARTECHE NORTH AMERICA, S.A. DE C.V.

attributable to ARTECHE or if the Purchaser begins to use the merchandise or the equipment.

15. WARRANTY.

15.1. ARTECHE warrants the supplied products regarding defects in materials, manufacturing or assembly for a period of one year as of the delivery date or a maximum of 18 months from the notification date stating that they are available for shipment, whichever is the earliest.

15.2. The warranty may be extended at the request of the Purchaser, expressly accepted by ARTECHE, and its payment will condition the extension of the same up to a maximum of 18 months from its delivery or a maximum of 24 months from the date of its factory termination, whichever is the earliest, therefore, 1.25 percent per year will be added to the budgeted amount.

15.3. The following assumptions will be expressly excluded from the warranty:

- Materials supplied by ARTECHE but not manufactured by it will have the warranty offered by its manufacturer.
- The warranty of ARTECHE will be excluded when, without express authorization of ARTECHE, personnel other than personnel of ARTECHE changes or repairs the material.
- The storage or improper use of the products by the Purchaser or individuals under its control will be excluded from the warranty.
- The handling, transformation, maintenance, placement or disposition of the products delivered without the prior written authorization of XX will also be excluded.
- Damages incurred due to the normal use outside the warranty period or due to false maneuvers, oversight or negligence of the user are excluded.

15.4. The warranty is limited to replacing or repairing (at the choice of ARTECHE) the defective part, which will be supplied under the same conditions as the original order and will have the same warranty period as of the date of repair or replacement. The repair or replacement of a defective item does not change the commencement date of the warranty period for the whole equipment or manufactured product, which will be that indicated in section 15.1.

15.5. It will be supplied free of charge to the Purchaser, provided that it is proven that the defect or damage has occurred within the warranty period and it is due to a defect, fault or error in the design or manufacturing, as well as that the equipment has been transported, handled and used following the indications of ARTECHE. ARTECHE will not accept any other costs that may be incurred due to the defect.

16. INDUSTRIAL AND INTELLECTUAL PROPERTY

16.1. Nothing provided in this Agreement implies an intention of the parties to grant to the other their Industrial and Intellectual Property rights. ARTECHE expressly reserves the Industrial and Property rights over all Trademarks and Commercial Names, Industrial Designs, Patents and Utility Models of its property, including but not limited to, all blueprints, schemes and projects carried out by technicians of ARTECHE and which the Purchaser may have known by any means.

16.2. The elements included in the orders, whose Industrial and Intellectual Property rights over all Trademarks and Commercial Names, Industrial Designs, Patents and Utility

Models of its property are owned by third parties outside ARTECHE, will continue to be of said third parties.

16.3. In the event that the order includes, by ARTECHE or a third parties outside the latter, the development of a design activity of any kind, the intellectual and industrial property rights that may derive from the same will be owned by ARTECHE or the corresponding third party in accordance with the applicable law in intellectual property matters.

16.4. This agreement does not grant any right over the "Confidential Information", except as expressly stated in this Agreement.

17. DATA PROTECTION

17.1. ARTECHE agrees to protect the personal data which, where applicable, it receives from the Purchaser under the terms of the Law for the Protection of Personal Data in Possession of Private Individuals or Private Entities (*Ley de Protección de Datos Personales en Posesión de Particulares*) in accordance with the scope established in the Privacy Notice that may be consulted in its webpage.

18. FORCE MAJEURE

18.1. In the event that ARTECHE is totally or partially prevented from fulfilling its contractual obligations due to Force Majeure, the fulfillment of the affected obligation(s) will be suspended, without any liability of ARTECHE, for as long as it is reasonably necessary under the circumstances. In this case, the execution time will be extended for a period of time equivalent to that in which the affected execution has been suspended.

18.2. Force Majeure will be understood as any cause or circumstance beyond the reasonable control of ARTECHE, including but not limited to, supplier, transportation and services strikes, failures of third parties provisions, failures in the transportation systems, natural disasters, floods, disturbances, strikes, labor disputes, personnel stoppages of ARTECHE or its subcontractors, sabotage, acts, omissions or interventions of any type of government or agency thereof, accidental stoppages in the workshops of ARTECHE due to breakdowns, etcetera, and other force majeure events contemplated in the current legislation directly or indirectly affecting the activities of ARTECHE.

18.3. This clause will also be extended to any supplier, shipper, carrier or other third party that intervenes in any of the phases of the order, for and on behalf of ARTECHE, in which case the suspension will be applied in the same terms.

18.4. In the event that the performance of the contractual obligations is suspended or delayed for the reasons stipulated in this clause for more than one hundred eighty (180) consecutive days, any of the parties may terminate the agreement with respect to the merchandise not yet delivered to the Purchaser. In the event of termination, neither party will be entitled to any compensation, but any prior payment of the undelivered merchandise will be reimbursed and the merchandise in transit will be returned.

19. TITLE RETENTION

19.1. Until full payment of the amount owed by the Purchaser is made, the latter will be a mere custodian of the goods, without this being considered as an exemption derived from the



GENERAL CONDITIONS OF SALE ARTECHE NORTH AMERICA, S.A. DE C.V.

delivery regime and possessory transportation and the risk in accordance with the provisions set forth in the third and thirteen clause of this agreement.

19.2. ARTECHE will retain ownership of the delivered merchandise until the Purchaser has paid in full the price of the supplied merchandise. In the event said payment is not made on the agreed date, ARTECHE will have the right to recover all unpaid merchandise in possession or control of the Purchaser.

19.3. In the event the Purchaser processes, mixes or manipulates in any way the unpaid merchandise, in or to be part of a new object, ARTECHE will be granted ownership proportional to the value of the unpaid merchandise in the new object until full payment of the debt of the original merchandise has been received. If the Purchaser sells any unpaid merchandise or a new object made with it, the Purchaser, from this moment, allocates the corresponding proportion of its rights against the third party, which will be equivalent to the debt for the unpaid merchandise.

20. ENTIRE AGREEMENT

20.1. This agreement, its exhibits and appendixes (for example, acknowledgment of receipt of the order and specifications), accepted as stipulated therein, contains the entire agreement between the parties. Consequently, this agreement supersedes all prior and contemporaneous negotiations, commitments and agreements between the parties, whether oral or written, related to the merchandise contemplated in this agreement.

20.2. Without prejudice that one or more of the clauses contained in this agreement were declared null or non-enforceable by any Court or Tribunal, the rest of the conditions will continue to be valid and enforceable as if the aforementioned clauses were considered excluded on the date to be fulfilled.

20.3. Any notification or claim related to this agreement must be made in writing.

21. EARLY TERMINATION CAUSES

21.1. ARTECHE may early terminate any order, in whole or in part, and without any liability through simple notice in writing to the Purchaser, in the following cases:

a) If the Purchaser fails to comply with any of its contractual obligations and it fails to cure said situation within a maximum period of seven (7) days after receiving the corresponding claim notice.

In this case, ARTECHE will be entitled to request the Purchaser the damages incurred by it. Any amount due will become due and it will not return any advance payment or amount already paid, and the unpaid merchandise must be immediately returned to ARTECHE, regardless of where it is, at the risk and for the account of the Purchaser.

b) If an event occurs that substantially modifies the price of the products or impedes its delivery in the agreed terms and manner.

22. LIMITATION OF LIABILITY

22.1. ARTECHE will not be liable, under any circumstance, for any loss arising from loss of profits, production or use, capital

costs, downtime costs, delays and claims from the customers of the Purchaser or, in general, any special, indirect or consequential damages or losses of any kind.

22.2. The liability of ARTECHE will be limited to the maximum amount of the order in question, and in no event and even when said liability has been assessed, the compensation to be received by the Purchaser may exceed the established limit. This limitation will prevail over any other contained in any other contractual document that is contradictory or incongruent with it, unless it restricts to a greater extent the liability of ARTECHE.

22.3. ARTECHE will not be liable for any claim, whichever it may be, if the notice is made more than one year after the date on which the risk of the merchandise has been transferred to the Purchaser in accordance with the provisions set forth in this agreement.

23. EXPORT LIMITATION

The Purchaser acknowledges that the products supplied by ARTECHE may be subject to local or international provisions and regulations related to export control, and that without the authorizations to export or re-export from the competent authorities, if applicable, it cannot sell, rent or transfer the supplies nor use them for any purpose other than what it was agreed. The Purchaser is responsible for complying with said provisions and regulations. The supplied products may not be used directly or indirectly in connection with the design, production, use or storage of chemical, biological or nuclear weapons nor for the transportation systems thereof. Supplies may not be used for military or nuclear applications without the prior and written consent of the Seller.

24. APPLICABLE LAW AND JURISDICTION

24.1. For the construction and fulfillment of this agreement the parties submit to the Mexican Federal Laws.

24.2. In the event of discrepancies, interpretations or disputes arising from the construction of this agreement, both parties, excluding any conflict rules and regulations of the applicable laws and expressly waiving their own jurisdiction, expressly and voluntarily submit to the jurisdiction of the courts of Mexico City.