



## GENERAL TERMS AND CONDITIONS FOR SUPPLIERS OUTSIDE MEXICO FOR THYSSENKRPP METALURGICA DE MEXICO S.A. DE C.V.

### 1. General dispositions

1.1 The acceptance of this purchase order from TKMM implies for the supplier the obligation to read all and each one of the following clauses, also to accept the rules and dispositions that derive from this purchase order and to adjust to the effective norm in case that it applies for the matter.

1.2. The supplier will not be able to change, to vary or to alter of motu own the conditions under which it contracted with TKMM the service that provides and any alteration to the same ones can be cause of rescission of the contract.

1.3. The supplier for any reason will be able to yield, to subcontract or to request the intervention of a third supplier to fulfil this purchase order, unless a written authorization by TKMM mediates.

1.4. The supplier will have to confirm to TKMM the arrival of the purchase order.

1.5. It will be understood that the purchase order has been received by the supplier when TKMM counts on anyone of following ways of confirmation: electronic mail, telephone confirmation, letter or fax.

1.6. In case that TKMM does not receive confirmation by the ways mentioned before, it will be understood that the present purchase order was not received and will come consequently to confirm by anyone of these ways: electronic mail, telephone confirmation, letter or fax

1.7. In case the supplier does not agree with the conditions derived from the present purchase order, the supplier will have to notify TKMM within three days after the reception of the present document and will have to express with clarity to TKMM the reason for their disagreement. On the fourth day without answer it will be considered as a declination of the purchase order. TKMM will be able to ask for a new supplier.

### 2. Purchase Order

2.1. The supplier will have to make the shipment of the merchandise referred in the present purchase order in agreement with the instructions of customs or the ones the agents of TKMM indicate.

2.2. The supplier will have to adjust to effective international norms and INCOTERMS for the shipment.

2.3. All merchandise that will be sent to TKMM must be properly assured.

2.4. The supplier will have to enclose to its shipment the samples for the customs checkups.

2.5. The supplier will have to adjust to the international norms for the use of containers.



2.6. For the delivery of products and/or services that the supplier must give to TKMM, it will have to adjust to the schedules and dispositions of the Fiscal departments and Warehouses of TKMM

2.7. The terms, amounts, volumes and specifications, must be strictly observed by the supplier at the time of the delivery, in order to not have partial deliveries.

2.8. TKMM reserves the right to not receive, return, or to not receive surplus that the supplier gives in the sites been suitable for the delivery-reception of its products or services. The supplier will be responsible for the damages caused by delayed delivery.

2.9. In case that the delivery of products or services is received with delay in the TKMM facilities, they could only be received by special orders of the Purchasing department.

2.10. It is not allowed to the supplier to make deliveries by different ways from the authorized by TKMM and any disobedience to this norm will be penalized in legal terms.

2.11. Any eventuality that can affect the opportune delivery of services and merchandise to TKMM must be notified immediately.

2.12. The supplier will have to respect and fulfil during the process of delivery of its product or service, the conditions, procedures and instructions of security, hygiene, environmental impact and order of the TKMM plant

2.13. In all damage or mistreat to TKMM facilities made by the supplier during the delivery process, will be retained its payment until the conciliation for the payment of the incurred costs.

### 3. Prices

3.1. The prices that the supplier fixes for this purchase order will have to be exclusively in Euros or American Dollars.

3.2. The prices that TKMM pays by the products or services that the supplier provides will be in American Dollar or Euros.

3.3. The supplier will not be able to vary its prices without giving warning to TKMM.

3.4. The price that the supplier fixes to TKMM will have to include the cost of the product or service, as well as the costs of packing, transfers from the origin country and taxes to the foreign trade.

3.5. If a compensatory payment for the material must be done because of the country origin, customs situation or tariff barrier, this situation will have to become of the TKMM knowledge once the purchase order is received

3.6. The prices will have to include, in their case, the cost of insurances (marine, of shipment or the one that by its nature could correspond to him).

3.7. The prices by any reason could be altered by the supplier under the speculation motivated by lack of raw material or external situation to the supplier.



## 4. Modes of payment

4.1. TKMM will pay to the supplier 45 days after the reception of the merchandise.

4.2. The payment will be done by electronic transference to the account designated for such effect by the supplier.

4.3. The payments will be done in the currency that it is indicated by the supplier. (Euros or Dollars)

## 5. Allocations

5.1. The allocation of this purchase order implies that the supplier must assume the responsibility to fulfil the delivery time, required qualities and the amounts, in case the supplier consider that it does not have the capacity to fulfil these requirements, it will have to notify to TKMM at the time of receiving this purchase order.

## 6. Deviations/delays, line stoppage

6.1. The supplier will have to let know to TKMM in a term non greater to 48 hours of any delay in the delivery, deviation of the merchandise that can affect the TKMM interests or that in their case can cause drop in the inventories or line stoppage.

6.2. In case that the supplier does not notify TKMM of the events before referred it will be responsible for the damages that may come about.

## 7. Guarantee of the product

7.1 The guarantees that the supplier applies to its products will have to be enclosed to the product.

7.2. The supplier will have to indicate to TKMM if it counts with personnel or resources in Mexico to make the product guarantee valid.

7.3. In case that the guarantee of the product must be valid abroad, the cost of shipment or return by defects, hidden faults or vices will be in charge of the supplier.

7.4. The supplier will have to give the products and services to TKMM in perfect conditions and with the guarantee that the manufacturer provides.

7.5 TKMM counts on a counted term of 60 days from the delivery of products and services of the supplier to make effective the guarantee by hidden defects, vices or any other fault.

## 8. Special documentation

8.1. The supplier will have to enclose to its shipment to TKMM the necessary documentation, when their products apply special conditions of national content, load capacity, qualities or use certifications.

8.2. In case that it applies, the supplier must send certification that its merchandise adjusts to the MEXICAN OFFICIAL NORM (NOM).



## 9. Environmental dispositions

9.1. The supplier guarantees to TKMM that the products that provides do not generate any class of environmental impact.

9.2. In case the personnel of the supplier by negligence or any other action cause an environmental contingency, it will be co responsible before the environment authorities (PROFEPA; SEMARNAT, CONAGUA).

9.3. The supplier will have to fulfil all the requirements that the customs authorities establish for sanitary controls, certifications of contents and radioactivity

## 10. Controversies

10.1. In case that by some reason some controversy between supplier and TKMM arises, the parts decide that before going to any legal procedure, it will have to be exposed in a written way and conciliate the reasons of discord.

## 11. Secrets and reserves

11.1 Any reserve of rights on intellectual property of TKMM that for some reason implies that the supplier has access to the same one, the supplier will have to count on the necessary license for its use, in packing, containers, etc.

## 12. Sanctions

12.1. In case that by delay in the delivery, by product with inferior quality to the contracted one or by the fact to cause drop of merchandises in inventories or unemployment of line, independently of the damages caused, the supplier will be penalized with an equal amount to 10% of the damages that it causes by the negligence before referred.

## 13. Fiscal documentation

13.1 The supplier will have to enclose to the merchandise asked for in this purchase order the corresponding bill of loading.

13.2. The supplier must enclose the invoices, customs pediments as well as payments of taxes corresponding to the foreign trade.

13.3. Each shipment is due to also accompany when therefore it requires the customs authority the fiscal labelled ones in which it is indicated: country of origin, fiscal data of the importer, fiscal registry, address, as well as the information of TKMM like address, federal registry of contributors, country and description of the product.

13.4. The supplier must also enclose the necessary documentation for a correct identification by the tariff fraction that uses TKMM.



## 14. Identification of the merchandise

14.1. In case the customs authorities requires samples to carry out any analysis of the merchandise to determine that is the same to the tariff fraction that occupies, the supplier will have to provide this sample.

## 15. Eventualities

15.1. Any event related to the shipment of the merchandise, even it appears during the shipment, transfer or delivery, will have to be notified to TKMM in a term of 24 hours if this situation can affect to the quality of the product or the delivery time.

## 16. Competition and jurisdiction

16.1. The supplier is submits under the jurisdiction of the Mexican courts specifically, resigning to any other than it could correspond to him in the present or in the future and in addition it resigns to resort to the protection of the courts of its country.

## 17. Legal terms

17.1. Because the present purchase order is of mercantile nature, for any other term or condition no anticipated in it, will be applicable in the Commerce Code and the Federal Civil Code, this last one like auxiliary law, in attention that the execution of the purchase order will have its effects in national territory

17.2. Supplier and TKMM submit under the jurisdiction of the competent Courts in the State of Puebla. They resign specifically to any law that their present or future addresses could correspond for any subject directed to the interpretation and execution to them of this purchase order. And also the supplier is committed to solve its controversies with TKMM in Mexico without invoking the protection of the laws of its country.

18.3. The parts agree that in case of controversy for the interpretation or execution of this contract, they submit under in highly summarized oral opinion of conformity to the arranged by articles 574 to 586 of the code of civil procedures for Puebla Mexico.

18.4. Due to the nature of the present purchase order and its implication with the use of electronic commerce and elements of technical character, it will be applied the code of commerce in reference to the title Second, corresponding to the heading of electronic Commerce, as well as the arranged by international agreements in the matter of computer science right of which Mexico is part. And to the effect any modification to this legal heading will be according to the published issues in the official Newspaper of the federation

18.5. In case that some controversy exists, the parts decide to firstly pass through a process of mediation or commercial arbitration.