

Grupo RYL, S.A. de C.V.

Standard sales and delivery terms

Valid from May 1, 2020

The sales and delivery terms for Grupo RYL, S.A. de C.V. (Tax Payer Identification Number: GRY141111IH3, Carretera Monterrey-Laredo 16.5 km, SN, Interior Bodega 8, Parque Industrial Tauro, C.P. 66613 Apodaca, Nuevo León, Mexico), hereinafter referred to as "Grupo RYL", shall apply to all orders and take precedence over other conditions etc. from a customer unless otherwise agreed in writing. The sales and delivery terms may be changed as necessary without notice.

1. Order confirmation and consulting

Unless is otherwise specified in writing duly signed by Grupo RYL, the details covered by this Standard Sales and Delivery Terms comprise the total and complete agreement between the Grupo RYL and the customer and supersedes all prior agreements and understandings of any nature whether written or verbal, with respect to the purpose hereunder, and no other condition, warranty or representation, other than as expressly agreed hereunder shall be binding upon Grupo RYL and the customer in connection with the purpose hereunder. Once an order has been placed, it shall be binding on the customer. The customer shall place orders on the basis of an offer including a product and process description in writing prepared by Grupo RYL. In the event of unforeseen problems or if an unsatisfactory credit rating of the customer is received after order confirmation, Grupo RYL shall be entitled to cancel the order without any liability whatsoever or to demand a bank guarantee issued for the full amount, or payment in advance.

Any consulting service provided by Grupo RYL on the products' applicability shall be deemed to be for guidance only. Grupo RYL shall not be liable for the customer's or its customers' specific use of the products.

2. Product information and statutory requirements

All product information in samples, drawings, website and similar are approximate and commercial tolerances must be expected.

The customer shall advise Grupo RYL of special requirements and standards and of any existing statutory requirements in relation to the use of Grupo RYL's products, and the customer shall also ensure that the statutory requirements so advised shall be specified in the written agreement which is prepared by Grupo RYL and which forms the basis for the order.

For design/creative consultancy and proposals, all intellectual property rights (e.g. to designs, trademarks, copyright, patentable inventions etc.) shall accrue to Grupo RYL unless otherwise separately agreed with the customer in writing or they are minor adaptations to a design or creative proposal prepared by the customer.

3. Title to Intellectual Property.

Unless agreed otherwise in writing by Grupo RYL and the customer, Grupo RYL shall retain all right, title and interest in and to, and possession of, all its proprietary technology, including but not limited to, all copyright, patent, trade secret and other intellectual property rights associated with any ideas, concepts, methods, processes, techniques, inventions or works of authorship developed or created by or on behalf of: (i) the customer; (ii) by a third party in benefit of the customer; and/or (iii) by Grupo RYL on benefit of the customer for its products,

including, without limitation, any tooling or other item used by Grupo RYL to create products for the customer ("Intellectual Property"). The customer shall take such further actions, including the execution and delivery of transfer legal documentation, as may be reasonably requested by Grupo RYL to give full and proper effect to the provisions of this paragraph.

4. Delivery terms, delivery time and delays

Unless otherwise specified in the order, the products shall be delivered EXW Grupo RYL's current and relevant warehouses in accordance with ICC Incoterms 2020.

In the event of delays, Grupo RYL shall have the right to postpone delivery without liability for up to 30 days. If delivery has not been made by this time, the customer shall only be entitled to cancel the purchase but not claim any consequential, direct or indirect damages or losses whatsoever.

5. Cancellation

In the event of cancellation, the customer will pay for all the delivered products and shall cover any and all expenses incurred by the Grupo RYL regarding the products in process. Customer shall receive any product included in the cancelled order already provided or in process under the terms and conditions agreed by Grupo RYL and customer.

6. Retention of title and ownership

Grupo RYL shall retain title and ownership in the delivered products until the customer has made full payment. All costs associated with enforcement of the retention of title and ownership shall be borne by the customer.

7. Prices and payment

The customer shall pay to Grupo RYL direct and indirect consequential costs, carriage and production incurred by Grupo RYL in connection with project work, including for preparing of samples, prototypes, reference samples and tests. The prices for the samples, prototypes, reference samples and tests shall be indicated in Grupo RYL's offer, or in the absence of such indication, they shall be refunded on the basis of documented expenses.

Prices specified from Grupo RYL are exclusive of VAT, duty and all other taxes. Prices in all materials are subject to changes in prices of raw materials, the rates of duty and freight and other taxes, and prices may be increased until delivery is made. Grupo RYL will notify the customer of all price changes.

Unless otherwise agreed in writing and stated in the order, payment shall be made immediately upon delivery. Default interest will be charged on late payment at the rate of 1.2% per month from the due date until payment is made.

Grupo RYL may postpone all deliveries of orders or cancel orders in writing without incurring any liability for the action if the customer has unpaid overdue invoices for previously delivered orders or if the maximum credit limit is exceeded. Full compensation for all consequent losses suffered by Grupo RYL shall be paid by the customer.

8. Notice of defects and remedies

The customer shall arrange a thorough inspection of the products within twenty-four (24) hours after delivery and before use. In particular, the customer shall check the quantity received and the quality of the products.

The customer is obliged not to accept a shipment if there are any signs of transport damage. In the event of transport damage, the customer shall document this by photos and write a clear note in English of the alleged damage on the carrier's waybill.

All notices of defects shall be made in writing and sent to Grupo RYL. The notice shall be sent as soon as the customer becomes aware, or ought to have become aware, of the defect, and in any event not later than fourteen (14) days after delivery, or, in the event of delay, actual delivery of the products. In the event of nonvisible defects, the notice shall be submitted not later than fourteen (14) days from the time at which the defect could have been discovered on a thorough inspection, but not later than three (3) months from the delivery date.

If a part of the order is delayed or not delivered, or if a part of the order is defective, only this part of the order can be cancelled/terminated. All notices of defect shall be specific, documented and contain an accurate description.

Defective products cannot be returned without Grupo RYL's prior consent in writing. Conforming products cannot be returned. All costs and expenses for defective and/or conforming products returned without the prior consent of Grupo RYL shall be covered by customer and Grupo RYL in no event will be obliged to receive such returned products.

Grupo RYL shall be entitled, at its option, to remedy the defect, deliver replacement goods, or grant the customer a proportionate reduction in the agreed purchase price. The customer shall not be entitled to cancel the purchase if Grupo RYL exercises one of the above remedies within a reasonable time of having had the opportunity to assess and qualify the notice of defect.

None of Grupo RYL or its subsidiaries, or affiliates or their respective successors, assignees, representatives, employees, agents or clients, shall have the obligation to indemnify or hold harmless customer, its subsidiaries or affiliates, its respective successors, assignees representatives, employees, agents, subcontractors or suppliers of and against, any obligations, claims, lawsuits, costs, damages or expenses of any nature (including personal damages, to property, consequential or special) that arise from or as a result of the material, labor, or inadequate design, unsafe or defective goods or services, if such defects were not duly notified in accordance hereunder.

9. Force majeure

Grupo RYL shall not be liable if the following force majeure events prevent or delay performance of the agreement (the list is non-exhaustive): war and mobilisation; rebellion and civil disobedience; terrorism; natural disasters; strike and lockout; shortage of goods; defective or delayed deliveries from sub-suppliers or if sub-suppliers are otherwise affected by circumstances; fire; lack of transportation; currency restrictions; import and export restrictions; death, illness or absence of key employees; pandemics, health emergencies, interruption of labour, including without limitation to essential and/or non-essential industries by any municipal, state or federal authority; computer virus or other circumstances beyond Grupo RYL's direct control. In these events, the affected party, Grupo RYL, shall be entitled to postpone the performance of its obligation until the obstacle has ceased to exist, or alternatively to cancel the agreement in full or in part without incurring liability if the obstacle results in postponement of performance for more than six (6) months.

10. Limitation of liability including product liability and the customer's liability

To the extent permitted under relevant legislation and notwithstanding the basis on which the claim may rest, including defects, delays and product liability, Grupo RYL shall not have any product liability or liability for other direct or indirect disruption of the customer's business, direct, indirect or consequential damages, indirect loss, loss of profit or any other form of loss. Under all circumstances, Grupo RYL's maximum liability shall equal return to the customer of the amount paid for the delayed or defective part of the order. Grupo RYL shall also not assume liability for damage or loss arising from the customer's incorrect application, unusual or rough use or wear of the products. Claims against Grupo RYL under mandatory product liability cannot exceed MXN 1,765,000 per incident or series of incidents arising from the same delivery. In the event of third party raising a claim against Grupo RYL in excess of the specified maximum amount, the customer shall be liable for the difference and reimburse it to Grupo RYL.

To the extent to which the customer prescribes or provides specifications, including but not limited to the construction, directions or similar according to which Grupo RYL must work, purchase, produce or similar, the customer shall be liable in every respect for any defects, errors or inappropriate aspects of any such prescriptions or specifications. The same shall apply to the extent to which the customer supplies or prescribes raw material, components or products which Grupo RYL must purchase (for example from other manufacturers), supply services for or otherwise process, treat or use in connection with Grupo RYL's services for the customer.

The customer is responsible for ensuring that the design/construction of the furniture is appropriate for the intended use. Any advice from Grupo RYL should be considered only as guidance, and Grupo RYL can under no circumstances be held liable for any claims relating to the design/construction of the furniture. It is the sole responsibility of the customer to examine and ensure that the products manufactured by Grupo RYL are compliant with all local laws, regulations and practices in the country of actual or intended sale.

Grupo RYL shall not be deemed to be liable for delays or defects in the event that the customer has not advised Grupo RYL in detail on the intended application and all circumstances, including the environment, variations of temperature, washing/cleaning/disinfection methods, installation methods, frequency of use, other products, components etc. which are to be used on, in or in combination with a service or product delivered by Grupo RYL.

If, for a project or an order process, a reference sample for approval has been made and the sample has been approved by the customer, the reference sample shall be deemed to be the standard in relation to assessment of e.g. defects.

11. Venue and governing law

Agreements and orders between Grupo RYL and the customer shall be subject to and construed under Federal Commerce Code and the applicable laws of the State of Nuevo León, Mexico, irrespective of the current international private law rules to the extent to which the latter rules would result in governing law other than the laws of the State of Nuevo León, Mexico. The Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

Any disputes which may arise from or in connection with the contract, including any dispute concerning its existence, validity or termination, shall be decided by the competent courts of Monterrey, State of Nuevo León, México, expressly waiving to any other jurisdiction that by reason of their present or future domiciles, or because of any other cause, the parties may be entitled to.