

**TERMS AND CONDITIONS THAT APPLY TO ALL PURCHASE ORDERS ISSUED BY THE MEXICAN ORGANON SUBSIDIARIES INCLUDING PRODUCTOS FARMACEUTICOS ORGANON, S. DE R.L. DE C.V., ORGANON COMERCIALIZADORA, S. DE R.L. DE C.V., SERVICIOS ORGANON, S. DE R.L. DE C.V., SCHERING-PLOUGH, S.A DE C.V. AND UNDRRA, S.A. DE C.V.**

**STATEMENT**

**SOLE.-** These terms and conditions apply to the PURCHASE ORDERS the COMPANY sends to THE SUPPLIER and that the latter executes.

Under the previous Statement, THE COMPANY and THE SUPPLIER mutually agree to the following:

**CLAUSES**

**FIRST.- SUPPLIER Commitment.**

1.1. The SUPPLIER undertakes to design, manufacture, supply, and/or deliver the PRODUCTS to the COMPANY as described in the PURCHASE ORDERS, or either to provide the services listed in them (hereinafter the "PURCHASE ORDERS") issued to such purpose (hereinafter referred to respectively as "PRODUCTS" and "THE SUPPLY and THE SERVICES") in accordance with the specifications prescribed in the PURCHASE ORDERS that will be issued, and in accordance with the following provisions.

THE COMPANY will acquire the PRODUCTS and will contract the SERVICES subject of the PURCHASE ORDERS, according to the indicated in such PURCHASE ORDERS, as well as in the quotations that THE SUPPLIER has previously submitted in writing to the COMPANY and that the latter has also accepted in writing.

The details and technical specifications of the PRODUCTS and/or the SERVICES are stipulated in the quotations that the SUPPLIER has previously sent to the COMPANY in writing, and that the latter has approved in writing.

1.2. The PRODUCTS and/or SERVICES subject of the PURCHASE ORDERS and the corresponding obligations may be documented, by issuing respective PURCHASE ORDERS that are subscribed in each specific case, according to what is prescribed to such purpose in the SEVENTH clause.

1.3. The COMPANY may change the terms and specifications of the PURCHASE ORDERS and the SUPPLIER will accept such changes. Should such changes entail a change in prices or delivery times already agreed upon, the parties commit to review such changes and, if necessary, change the terms of the PURCHASE ORDERS.

1.4. Herewith it is stated that the COMPANY agrees to these terms and conditions based on the SUPPLIER'S statements, in the sense that (i) has the necessary knowledge, skill, and experience to carry out the manufacture of the PRODUCTS and/or the provision of the SERVICES and (ii) that the income deriving from this agreement does not represent more than 15% (fifteen percent) of the total income of the SUPPLIER.

Under the above, if the COMPANY will determine within a period of 30 (thirty) business days from the date of acceptance of any

PURCHASE ORDER, the SUPPLIER lacks the knowledge, skill, experience, personnel, and/or equipment he/she claims to have, or there is misrepresentation or breach to the declaration relative to the income derived from any PURCHASE ORDER does not represent more than 15% (fifteen percent) of the total income of the SUPPLIER, the PURCHASE ORDER can be canceled by the COMPANY in the terms of the THIRTEENTH clause. The COMPANY shall likewise be entitled to claim payment if applicable, the payment of the damages and losses that the SUPPLIER has caused by any of the aforementioned circumstances.

The SUPPLIER must hold the COMPANY harmless and safe from any contingency, claim, or expense that the above causes.

**SECOND.- Time and place of SUPPLY Delivery.**

2.1. The SUPPLIER undertakes to deliver the PRODUCTS and/or provide the SERVICES to the COMPANY in delivery times as specified in the PURCHASE ORDERS that will be issued. If the SUPPLIER fails to comply with that period, he/she is obliged to pay the COMPANY a contractual penalty for each day and/or time delay period, according to the aforementioned PURCHASE ORDERS.

2.2. However, the SUPPLIER shall also be obliged to carry out the delivery of the PRODUCTS and/or provision of the SERVICES in the address(es) indicated for that purpose in the PURCHASE ORDER and, if applicable, in each of the PURCHASE ORDERS.

2.3. Additionally, the SUPPLIER shall also be obliged to deliver the PRODUCTS or whatever other goods resulting therefrom, and/or provide the SERVICES at any other address that the COMPANY will indicate in accordance with the guidelines established in the PURCHASE ORDERS that are abided by.

If the change of address involves additional costs for the SUPPLIER, he/she will have a non-extendable period of 15 (fifteen) calendar days to file a request for compensation for additional costs. Once that period elapsed without the SUPPLIER having requested payment of the corresponding costs, it will be understood by the parties that the SUPPLIER fully embraces thereof and waives any corresponding compensation from the COMPANY.

2.4. If the delivery of the PRODUCTS is made with wooden platforms (Pallets) the SUPPLIER undertakes that such materials comply with all the Mexican phytosanitary regulations.

If the request form is presented, its terms must be negotiated between the parties, on the understanding that in the latter case no change of address will be mandatory for the SUPPLIER, if there is no previous agreement thereto in writing.

**THIRD.- No Employment Relationship.**

3.1. The SUPPLIER states that (i) there is no employment relationship whatsoever between his/her employees and the COMPANY and

(ii) that the SUPPLIER will be solely liable before the COMPANY of the proper fulfillment of his/her employer, labor, and social security obligations to his/her employees and staff under his/her charge and service (hereinafter the "SUPPLIER'S EMPLOYEES").

- 3.2. The SUPPLIER also states that (i) there is no employment relationship whatsoever between the contractors' employees (hereafter the "CONTRACTORS' EMPLOYEES") and the COMPANY and (ii) in the event of noncompliance by his/her contractors to labor obligations with his/her employees, the SUPPLIER will be the joint obligor together with his/her contractors before the COMPANY in compliance with these labor and social security obligations by his/her contractors.
- 3.3. The SUPPLIER in this act disclaims and releases the COMPANY from any obligation and responsibility of employment, individual or collective and/or social security nature arising with the SUPPLIER'S EMPLOYEES and/or CONTRACTORS' EMPLOYEES, forcing himself/herself to hold the COMPANY harmless from any claim or demand concerning the SUPPLIER'S EMPLOYEES and/or CONTRACTORS' EMPLOYEES where the COMPANY is involved, as well as to reimburse all expenses, expenditures, and fees that the COMPANY expends by such concepts, including without limitation attorney's fees, and damages and losses caused to the COMPANY for such causes.
- 3.4. Likewise, the SUPPLIER agrees to be bound and to promptly meet the labor-management fees that correspond to the Mexican Social Security Institute and to the National Workers Housing Fund Institute, as well as any other contribution or tax that by law he/she should be carrying out in his/her capacity as Employer of the SUPPLIER'S EMPLOYEES.
- 3.5. The parties convene that, despite the aforementioned, any claim of employment or social security nature presented against the COMPANY by the SUPPLIER'S EMPLOYEES and/or the CONTRACTORS' EMPLOYEES, will be communicated to the SUPPLIER so he/she proceeds to pursue the corresponding actions, exceptions, and defenses and, if applicable, it will abide by this clause. This obligation includes that the SUPPLIER faces any employment lawsuit filed by the SUPPLIER'S EMPLOYEES and/or the CONTRACTORS' EMPLOYEES against the COMPANY, covering all expenses and attorney fees that are involved in the corresponding defense.

The SUPPLIER undertakes to provide written notice to the COMPANY within the next 5 (five) calendar days after learning about the corresponding claim of employment nature, of the legal strategy in defending the action brought against the COMPANY. In the event that the COMPANY is condemned in any legal instance, the SUPPLIER must cover the amount of the benefit to which the COMPANY has been convicted.

- 3.6. The COMPANY may request the SUPPLIER from time to time for the creation of a certificate of compliance on social security matter, which must be issued by a recognized audit firm and be previously approved by the COMPANY, or in absence thereof it can be substituted by the delivery of payment notifications of the last 6 (six) months of the corresponding social security contributions to workers that are engaged in the development of tasks necessary for the SUPPLY.
- 3.7. The SUPPLIER will allow the COMPANY at any time the access to files, books, and accounting records of the SUPPLIER, as well as the original payroll receipts, contribution payment receipts, and other related documents, in order to verify and corroborate

the prompt and accurate payment of salary, fiscal contributions in social security and housing matter, and whichever other amounts to which the SUPPLIER is obliged in labor and social security matter.

- 3.8. The parties agree that any noncompliance by the SUPPLIER to his/her social security obligations and/or labor nature towards the SUPPLIER'S EMPLOYEES and/or the CONTRACTORS' EMPLOYEES will be sufficient for the COMPANY to be empowered to cancel the RESPECTIVE PURCHASE ORDER in accordance with the provisions in the following THIRTEENTH clause.
- 3.9. The parties agree that if any authority requires from the SUPPLIER, providing information concerning compliance with his/her obligations in social security and/or employment matter, the SUPPLIER will be obliged to notify this to the COMPANY within the next 5 (five) calendar days following the request of information, in order to reach a consensus with regard to the information that will be delivered in compliance with applicable current legislation, and in the matter of any other situation related to such requirement.

#### **FOURTH.- Consideration.**

- 4.1. The COMPANY undertakes to pay the SUPPLIER the stipulated amount(s) in the respective PURCHASE ORDER(S) that is(are) accepted where applicable, as consideration (hereinafter the "CONSIDERATION").

The parties agree that the expenses derived from the supply of the PRODUCTS and/or the provision of the SERVICES, incurred by the SUPPLIER, including without limitation the inputs and materials required for the manufacture of the PRODUCTS and the proper performance of the SUPPLY, will be solely and exclusively account and responsibility of the SUPPLIER, so regarding to the PRODUCTS and the provision of the SERVICES, the SUPPLIER acknowledges that the CONSIDERATION will be the only compensation to which he/she is entitled by virtue of the respective PURCHASE ORDER.

- 4.2. The payment of the CONSIDERATION will be made against the delivery of the invoice, which must comply with applicable tax requirements and within the following 90 (ninety) calendar days, at the COMPANY's facilities, according to the payment policies contained in the General Requirements for Suppliers of the COMPANY.

Similarly, payment for the PRODUCTS and/or SERVICES shall apply under the approval and satisfaction of the COMPANY, and that the Terms and Conditions are met, according to the stipulations in each of the PURCHASE ORDERS that will be applied by where applicable. Such agreement shall be issued by the area requesting the service (hereinafter "REQUESTING AREA") indicated in the CONDITIONS of the PURCHASE ORDERS where applicable.

- 4.3. In addition to other applicable contractual or legal remedies, the COMPANY shall be entitled to withhold CONSIDERATION payments to the SUPPLIER, if the latter has not covered or does not show the COMPANY to have covered, in time and manner the obligations that the legislation provides, the labor-management fees due to the Mexican Social Security Institute and to the Workers' Housing National Fund Institute, and any other contribution or tax that correspond imposed by law, until

the SUPPLIER presents the COMPANY full compliance with those obligations.

- 4.4. The COMPANY will also be entitled to compensate the SUPPLIER owed amounts under protection of this clause against any amount that is owed to the COMPANY in terms of the respective PURCHASE ORDER, having only for this purpose notify in writing to the SUPPLIER 60 (sixty) calendar days prior to the date it intends to make the compensation, so the SUPPLIER (i) issues the corresponding credit note or (ii) expresses his/her dissatisfaction duly founded by interposing applicable resources in terms of the TWENTY-SEVENTH clause.

The lack of response from the SUPPLIER will be considered as a tacit acceptance to the compensation notified by the COMPANY and the lack of issuance of the corresponding credit note will be considered as noncompliance by the SUPPLIER.

In case of dispute between the parties concerning the alleged compensation duly notified by the COMPANY in accordance with the aforementioned, the COMPANY may waive such compensation if no agreement is reached, leaving, however, the COMPANY entitled to interpose resources applicable in terms of the TWENTY-SEVENTH clause.

Lack of exercise of the rights of the COMPANY will not be deemed a waiver of such rights or affect any subsequent exercise thereof neither will affect any ulterior exercise of thereof. The COMPANY may only waive their rights in an express manner.

#### **FIFTH.- Validity.**

- 5.1. The validity will be indicated in the PURCHASE ORDERS. The parties agree that the lifetimes of PURCHASE ORDERS may be extended by the COMPANY, at the end of the original expiration term of each of the PURCHASE ORDERS. In order to extend the respective validity, the COMPANY shall notify the SUPPLIER in writing its willingness to extend the PURCHASE ORDER within 90 (ninety) days prior to the date of expiration. This does not invalidate the rights established in the following NINTH clause for early termination by the COMPANY at all times.

#### **SIXTH.- SUPPLIER Obligations.**

- 6.1. The SUPPLIER declares to have, will have and maintain during the term of thereof a strict adherence to the quality of the SERVICE, supplies and products to employ, and optimum level of confidence in the SERVICE, fulfilling for this purpose, with all the requirements, metrics, and specifications stipulated for this purpose in the PURCHASE ORDERS, good manufacturing practices of the PRODUCTS, and quality of the SERVICES, as well as with the Laws, Regulations, Official Mexican Rules, or any other applicable regulation.

The following are general obligations of the SUPPLIER, including but not limited to:

- a. Keep the equipment he/she uses for the supply of PRODUCTS and/or provision of SERVICES in mechanically appropriate conditions, and have and maintain in force all necessary technical and legal documentation in force; as well as the operation of the equipment used for this purpose.

- b. Ensure that the SUPPLIER'S EMPLOYEES and/or the CONTRACTORS' EMPLOYEES operate their equipment observing and complying at all times with the laws, regulations, official rules, and other provisions in any way related to their property, possession, use, or operation.
- c. Even if the SUPPLIER is not subordinate to the COMPANY, he/she commits to take into account the recommendations of the COMPANY regarding the compliance of the PURCHASE ORDERS and to implement them through the SUPPLIER'S EMPLOYEES and/or the CONTRACTORS' EMPLOYEES.
- d. Contract, in accordance to the prescription in the PURCHASE ORDERS, a liability insurance covering damages that may arise to the COMPANY; the insurance should cover: (i) any risk of damage by accident or force majeure that may occur to goods, equipment, materials, inventory, or supplies from the COMPANY or third parties, see the object of each PURCHASE ORDER. (ii) as well as any other risks established for this purpose in the PURCHASE ORDERS.
- e. If so be agreed by the parties and stated in the PURCHASE ORDERS, the SUPPLIER must provide a guarantee through which ensure compliance with all obligations of the PURCHASE ORDERS and these terms and conditions, including due and timely delivery of SERVICES. The terms of the warranty are where appropriate in the PURCHASE ORDERS.
- f. Obtain and maintain in force, each and every one of the permits, licenses, and authorizations that authorities require to carry out activities aimed at implementing the obligations of the PURCHASE ORDERS and these terms and conditions.
- g. Respond to all kinds of fines or infractions imposed on the COMPANY by the relevant authorities as a result of compliance with the object of PURCHASE ORDERS and operation of the equipment of the SUPPLIER, as well as on any conventional or judicial sanction, or of any other measure imposed on the COMPANY by its customers as a result of deficiencies, delays, and noncompliance by the SUPPLIER under the PURCHASE ORDERS. In these cases, the SUPPLIER shall indemnify the COMPANY from all claims, expenses, or damages the latter suffers because of the SUPPLIER.
- h. Give the COMPANY notice within 5 (five) calendar days after being aware of all claims made by customers or anyone object derived from PURCHASE ORDERS; as well as all theft, loss, destruction, delay, or damage related to such PURCHASE ORDERS in terms of the following TWENTY- FIRST Clause. Specifically, the SUPPLIER undertakes to notify the COMPANY, within 5 (five) calendar days to be aware of any claim of labor or social security nature involving the COMPANY or the SUPPLIER staff that is dedicated to develop tasks related to the PURCHASE ORDERS. Should labor claims subject of this paragraph, whether of collective or individual nature and involve risks outside the ordinary course of business of the SUPPLIER, the latter must agree with the COMPANY the litigation strategy to follow for that purpose, being the SUPPLIER otherwise empowered to terminate this contract for convenience without first notifying the SUPPLIER as stipulated in the NINTH clause.

- i. In addition, the SUPPLIER must comply with all laws applicable to the PURCHASE ORDERS, including without limitation, payment of taxes, duties, or contributions to which he/she is obliged under applicable law, whether federal or state, including but not limited to Income Tax, Value Added Tax, when imposed and obtaining licensing, authorizations, and permits for execution of the PURCHASE ORDERS when so required.
- j. Give timely compliance with all its Social Security obligations, and rule, when required by the COMPANY pursuant to section 3.6, such compliance through a recognized audit firm and previously approved by the COMPANY to grant, where appropriate, in accordance with the provisions of paragraph 3.6. above, the proof of payment.
- k. To comply at all times to the COMPANY POLICY ON ETHICAL BUSINESS PRACTICES in accordance with the provisions in the TWENTY-FIRST clause.
- l. Give, for the purposes as applicable, in terms of the following TWENTY-EIGHTH clause, strict compliance with the provisions of the Federal Law on Protection of Personal Data held by individuals, so if applicable, he/she must safeguard personal data he/she has access to by virtue of holding each PURCHASE ORDER in terms of the order, having to this purpose promptly inform the COMPANY of any issue that may affect it under that law, and to credit, if applicable, the adequate and timely fulfillment of its obligations under this order.
- m. Always respect access policies, schedules, monitoring, and control on the premises of the COMPANY that the latter indicates.
- n. Make available to the COMPANY phone numbers and other contact details listed on the PURCHASE ORDERS, so that through them the SUPPLIER respond to requests for SERVICES and warranty in accordance with the timetable set out in the PURCHASE ORDERS.
- o. To return to the COMPANY all drawings, plans and specifications, as well as any material or document that has been necessary for the provision of SERVICES and/or supply of PRODUCTS, in the understanding that such material and information shall become property of the COMPANY property.

## **SEVENTH.- PURCHASE ORDERS**

- 7.1. The COMPANY will issue to the SUPPLIER, and the SUPPLIER will accept the PURCHASE ORDERS, in the form usually used by the COMPANY which may be amended at any time by the latter, without prior agreement.

The provisions of these Terms and Conditions shall serve as the framework governing the relationship of the Parties in relation to goods and/or SERVICES that are provided under each of the PURCHASE ORDERS, without implying under any circumstance, the COMPANY's obligation to sign(subscribe) PURCHASE ORDERS.

For each of these PURCHASE ORDERS, the COMPANY will only be obliged to ensure the PURCHASE ORDERS are governed by the provisions herein indicated, and it is only obliged to comply with

the terms of the PURCHASE ORDERS that have been previously issued.

Each PURCHASE ORDER where appropriate shall be signed by authorized personnel of the COMPANY, and will contain among others:

1. The description and the number of PRODUCTS SUPPLY material for each PURCHASE ORDER where appropriate.
2. The price of the PRODUCTS SUPPLY material for the respective PURCHASE ORDER.
3. The term for delivery of PRODUCTS by the SUPPLIER for the respective PURCHASE ORDER.
4. The delivery address of PRODUCTS for the respective PURCHASE ORDER.
5. Any other specifications regarding the delivery and shipment of the PRODUCTS.
6. In the case of SERVICES contracted through the PURCHASE ORDERS, the full detail of the SERVICES.

Each PURCHASE ORDER will be the document through which the COMPANY will require the purchase of a shipment of the PRODUCTS and/or providing SERVICES to the SUPPLIER, on the understanding that these Terms and Conditions shall not perfect in this case the specific request of PRODUCTS and/or SERVICES, but will only establish the general regulatory framework between the Parties, except what is expressed otherwise in such PURCHASE ORDER.

The SUPPLIER will have 5 (five) calendar days to acknowledge receipt in writing and expressly accepting the terms of each PURCHASE ORDER. If the SUPPLIER does not expressly reject every PURCHASE ORDER within the period of five calendar days referred above, it shall be deemed to tacitly accept and undertake to the terms thereof.

Each PURCHASE ORDER shall be considered by the Parties as a separate contract, which may be terminated individually by the COMPANY in case of non-compliance by the SUPPLIER with the terms thereof or with these terms and conditions, in terms of the provisions of the THIRTEENTH clause.

The COMPANY is in any case empowered to opt for the termination of each PURCHASE ORDER in terms of the THIRTEENTH clause, in case that non-compliance by the SUPPLIER of any of the terms of a PURCHASE ORDER is substantially serious to its judgment. Termination, subject of this paragraph shall proceed without the need for judicial declaration without prejudice to the rights of the SUPPLIER to access the mechanisms of dispute settlement under the TWENTY-SEVENTH clause in case it wants to controvert on the occurrence of non-compliance or the severity thereof.

- 7.2. If the SUPPLIER fails to comply in any way with the terms and conditions indicated in each of the PURCHASE ORDERS, he/she shall pay the COMPANY, a contractual penalty for non-compliance for the amount that in that respect is stated in the respective PURCHASE ORDER, the above regardless of the payment for damages and losses that apply in case of termination of any PURCHASE ORDER.

If the COMPANY has chosen not to terminate the PURCHASE ORDER, but by forced compliance and payment of the contractual penalty that has been stipulated in accordance with the preceding paragraph, the SUPPLIER shall deliver a credit note to the COMPANY in favor of the COMPANY so, from the

total price of the next invoice of the SUPPLIER, the COMPANY deducts the total contractual penalty agreed here.

If the SUPPLIER does not agree on the issuing of the credit note for the application of conventional penalties requested by the COMPANY in accordance with the above, the SUPPLIER must formally notify through the process of dispute settlement mechanism provided for this purpose in the TWENTY-SEVENTH clause.

The lack of notification of its refusal by the process of dispute settlement along with the lack of issuance of the credit note referred to above will be considered ground for termination of any PURCHASE ORDER, as stated in THIRTEENTH and FOURTEENTH clauses herewith in case of issuing the corresponding credit note.

The non-exercise of the rights of the Company will not be deemed a waiver of such rights nor will affect any subsequent exercise thereof. The COMPANY may only waive their rights expressly.

7.3. In each PURCHASE ORDER, the time and address for delivery will be specified for each of the products and/or each of remittances where appropriate for SUPPLY by the SUPPLIER, as well as any other specification regarding delivery and shipment of the PRODUCTS that make up the SUPPLY.

7.3.1 Until delivery of the PRODUCTS covered by each PURCHASE ORDER in the site specified in the corresponding PURCHASE ORDER and the above is proved by the mechanisms of receipt and inspection under the PURCHASE ORDER, the PRODUCTS will remain the property of the SUPPLIER. If the parties are remiss regarding the moment of receipt and inspection of such PURCHASE ORDER, the proof of delivery shall be the responsibility of the SUPPLIER, who will be responsible for the risks of the PRODUCTS. The aforementioned also applies to the provision of SERVICES in terms of clause 7.7.

7.3.2 In the same way until such delivery is not verified and the agreement is formalized in accordance with the provisions in the PURCHASE ORDERS where appropriate, all risks and responsibilities inherent to the PRODUCTS and/or SERVICES will be entirely borne by the SUPPLIER, having the SUPPLIER himself/herself if applicable to replace them and cover the entire cost.

7.3.3 The aforementioned will also imply any responsibility regarding the shipment and custody, as well as the cost for any injury, damage and/or theft that such PRODUCTS suffer or cause for any reason. As well as the obligation to secure them in terms of the PURCHASE ORDER.

7.4. Both parties agree that the COMPANY shall be entitled to assess the quality of the PRODUCTS and efficiency of the SERVICES periodically as provided in the PURCHASE ORDER. The SUPPLIER undertakes to implement actions for improvement, repair, or correction resulting from the assessment made to the quality of the PRODUCTS and/or SERVICES by the COMPANY.

In the event that the SUPPLIER does not solve the observations or carry out the corrective actions necessary to fully comply with each PURCHASE ORDER, in conditions for maximum efficiency, the COMPANY shall be empowered to cancel the respective PURCHASE ORDER, in terms of what is prescribed by the THIRTEENTH clause herewith.

Termination in reference may be carried out without a judicial declaration without prejudice to the rights of SUPPLIER to access the dispute settlement mechanisms indicated in the TWENTY-SEVENTH clause, in the event there is no agreement with the expressed decision in writing by the COMPANY.

The expenses incurred by the SUPPLIER to carry out corrective action regarding the PRODUCTS AND/OR the SERVICES subject of each PURCHASE ORDER shall be borne exclusively by the SUPPLIER, provided they are duly substantiated in the contracted features.

7.5. Regardless of the exercise of any resource abided by in these terms and conditions, the COMPANY shall at all times have the right to refuse or request a refund or replacement of the PRODUCTS and/or SERVICES, if these do not comply as a whole with the established features, the specifications of the PURCHASE ORDERS. For the purpose of this paragraph, the COMPANY will have a period of one year from delivery of the PRODUCT under this document or of any PURCHASE ORDER signed thereunder to demand the return of the PRODUCTS and opt for (i) the repetition of the price paid for the PRODUCTS or either (ii) replacing them with others that meet the specifications of the PURCHASE ORDER. Without the above implying *per se* the termination of the present terms.

This shall apply in respect of any lack of adequacy to the terms required for the PRODUCT, in terms of any PURCHASE ORDER that has been subscribed signed where appropriate.

In the event the COMPANY chooses the repeat of price in accordance with the provisions of this section, the SUPPLIER must deliver to the COMPANY a credit note in favor of the COMPANY so that the total price of the next invoice of the SUPPLIER, the COMPANY can deduct from the total price of the rejected and returned PRODUCTS by the COMPANY to the SUPPLIER, per PURCHASE ORDER, for which the COMPANY has chosen to request the repeat of the corresponding COMPENSATION.

7.6. The COMPANY will equally and additionally have a period of two years from the delivery of each PRODUCT to claim any hidden defect or quality defect in the PRODUCT or SUPPLY, effecting under any PURCHASE ORDER signed on its terms, that makes that PRODUCT improper for the purposes for which it is designed according to the indicated in the applicable PURCHASE ORDER.

The COMPANY is expressly empowered in case of duly accredited hidden defects (i) to request the termination of any PURCHASE ORDER accepted thereunder, and (ii) to demand payment of a contractual penalty in amounts equivalent to what is established in the corresponding PURCHASE ORDER if applicable for design or manufacturing defects, or (iii) to request the price reduction where if selected will be negotiated by the parties.

The rights of the COMPANY previously stipulated are understood and agreed between the parties, with complete independence of the right of the COMPANY to demand payment for damages and losses that could have been caused by the PRODUCTS with hidden defects or their use during the period referred above.

7.7. In the event that PURCHASE ORDERS request the provision of SERVICES, these should be rendered in terms of the quotations sent by the SUPPLIER and accepted by the COMPANY, both in

writing. If the SERVICES do not adhere to the agreement between the parties, the COMPANY may terminate the provision thereof, being authorized to request a refund of any sums paid to the SUPPLIER, with no further obligation on the COMPANY. This notwithstanding the right of the COMPANY to sue for damages and losses that the SUPPLIER has caused by his/her fault or negligence in the provision of the SERVICES, or due to noncompliance with the agreement for the provision of SERVICES or the violation of these Terms and Conditions.

**EIGHTH.- General rules for SUPPLIERS.**

- 8.1. Revision of invoices is performed through e-mail:
  - a. Send invoice by e-mail to [STSEinvoiceMexico@organon.com](mailto:STSEinvoiceMexico@organon.com)
  - b. Require documentation: Invoice and copy of the purchase order in PDF format
- 8.2. The invoice must include: PO number, Description of goods and services as listed exactly on the PO, Line item number of what is being invoiced in order to be processed for payment,
- 8.3. Invoices shall be issued for review, within the fiscal year from January to December, after having received the good or service, after this date, the invoices will not be accepted due to fiscal closing.
- 8.4. If the SUPPLIER wishes to know the payment date of the corresponding invoice, he/she can do the following:
  - a) Resolution Center information:
    - i. Contact Resolution Center via telephone or e-mail
    - ii. Via telephone at 52-55-5481-9683
    - iii. Business Hours: Monday to Friday from 8:00 AM to 06:00 PM.
    - iv. E-mail: [financesupport@organon.com](mailto:financesupport@organon.com)
    - v. The address for receiving electronic invoices is [STSEinvoiceMexico@organon.com](mailto:STSEinvoiceMexico@organon.com)
- 8.5. Payment shall be effective 90 (ninety) calendar days following the date of reception of the monthly invoice corresponding to the supply of PRODUCTS or either to the provision of SERVICES of the corresponding month, as appropriate, which shall include the corresponding tax requirements.

**NINTH.- SUPPLIER obligations prior to termination, and/or rescission.**

- 9.1. In the event that the respective PURCHASE ORDER expires either by culmination of the period of validity or by early termination for convenience or rescission determined by the COMPANY, the SUPPLIER shall be obliged to the following:
  - a. He/She will give the COMPANY any document that has been compiled by the SUPPLIER regarding the SUPPLY.
  - b. He/She will give the COMPANY all materials, supplies, and products that have been delivered by the COMPANY for execution of the PURCHASE ORDERS.
  - c. He/She will create a report of the executed tasks until the date of compliance of each PURCHASE ORDER.
  - d. He/She will give the COMPANY a total settlement of the obligations assumed herein by the COMPANY, completely

freeing the latter from direct and indirect derivative contingency from these terms and conditions, including without limitation those related to the payment of the PURCHASE ORDERS exactly as agreed in terms of the PURCHASE ORDER.

- e. Commit with the COMPANY, in the settlement agreement referred to in previous subparagraph d., to hold it harmless from any contingency or claim arising or resulting from these terms and conditions or from the execution of the PURCHASE ORDERS by the SUPPLIER, including, without limitation, the payment of damages and losses caused to the COMPANY, its employees, shareholders, or customers, for spreading the information that is provided to him/her in terms of any PURCHASE ORDER, which is considered confidential and classified in accordance with the provisions in the following ELEVENTH clause.
  - f. Commit with the COMPANY, in the settlement agreement referred to in previous subparagraph d., for the payment of whatever damages and/or losses being caused to the COMPANY for noncompliance on the part of the SUPPLIER with any of his/her obligations under each PURCHASE ORDER and these terms and conditions.
- 9.2 Also, the SUPPLIER will return the COMPANY or will allow a COMPANY representative to collect from the SUPPLIER, all equipment, originals or copies of documentation attesting information, property of the COMPANY, signs, badges, stickers, identity cards, uniforms, logos, and emblems of any type and any other document, instrument, and/or material provided by the COMPANY, resulting from the acceptance of the PURCHASE ORDERS and that could otherwise give the public the impression that the SUPPLIER is directly or indirectly associated, affiliated, authorized, or in any way related to the COMPANY.
  - 9.3. Termination of each PURCHASE ORDER for any reason shall not affect any rights or obligations of the parties, that have arisen during the validity of each PURCHASE ORDER and whose effects continue to occur. All these obligations which expressly or by their nature survive termination shall remain in force subsequently to the termination and until they are complete or by their nature expired or prescribed, for this purpose, including but not limited to, the obligations of confidentiality.
  - 9.4. The SUPPLIER shall comply with the obligations under this clause: (i) during the 60 (sixty) calendar days prior to the expiration of the validity term of each PURCHASE ORDER, in the event that it has not been renewed or (ii) within 15 (fifteen) calendar days following the completion of the CURE PERIOD, as defined below, in the event that the SUPPLIER has not remedied its noncompliance to the satisfaction of the COMPANY as set out in FIFTEENTH clause or (iii) within the period of 15 (fifteen) business days after the notice of termination for convenience provided for in the corresponding NINTH clause.
  - 9.5. The SUPPLIER expressly agrees that the payment of the amounts that are been owed until the termination date of each PURCHASE ORDER, whatever the cause, will be conditioned and subject to the timely and satisfactory compliance with all provisions of this clause, and which in any case his/her rights will be safe to assert the means of controversy resolution in the TWENTY-SEVENTH clause.
  - 9.6. The SUPPLIER expressly agrees that during any period in which the COMPANY's operations are suspended or disrupted due to

strikes, riots, and/or any other labor dispute of the COMPANY or fortuitous event or force majeure or of any other nature, the effects of these terms and conditions shall be suspended temporarily, without any liability whatsoever for the COMPANY, reason why the SUPPLIER is not entitled to the payment of any amount during the period in which it occurs.

**TENTH.- Early Termination for convenience.**

- 10.1. The COMPANY may terminate each PURCHASE ORDER in advance, without indicating the cause and so to suit its interests, without any other responsibility than to give advanced notice in writing to the SUPPLIER with at least 30 (thirty) business days in advance.
- 10.2. The SUPPLIER is not entitled to any compensation due to early termination for convenience as provided in this clause.
- 10.3. Termination for convenience notified under this clause, the SUPPLIER shall proceed to the fulfillment of the obligations provided for this purpose in the NINTH clause of these terms and conditions and each PURCHASE ORDER.
- 10.4. In case of early termination for convenience decreed by the COMPANY, it should settle the benefits accrued to the date of notice of termination for convenience in a period no longer than 60 (sixty) calendar days from the presentation of the final settlement by the SUPPLIER and full compliance by the latter with all his/her obligations in terms of the NINTH clause.
- 10.5. The content of the preceding paragraphs to this clause is stipulated on the understanding that under no circumstances the COMPANY will have any other responsibility than the payment for SERVICES that were actually provided by the SUPPLIER, until the date of notification of the early termination of each PURCHASE ORDER and hereby releasing the COMPANY from any additional contingency.
- 10.6. For PRODUCTS that have been manufactured and not actually provided to the COMPANY, the latter will be obliged to pay for them as long as the SUPPLIER presents reliable documentation of their production before the termination date notified in terms of this clause.

**ELEVENTH.- Confidentiality and Integrity of Information.**

- 11.1. All information, including without limitation, documentation, reports, records, designs, programs, blueprints, specifications, software programs, files or other materials, and all copies thereof obtained by the SUPPLIER or supplied by the COMPANY regarding any process, device, or product the COMPANY manufactures, uses, develops, researches, or plans (the "CONFIDENTIAL INFORMATION") will be property of the COMPANY, the SUPPLIER being obliged to return it, once the SUPPLIER ends the SERVICES, or when each PURCHASE ORDER is terminated in advance for any reason or at any time upon written request from the COMPANY in this regard.
- 11.2. By virtue that the SUPPLIER and its staff will have access to CONFIDENTIAL INFORMATION owned or held by the COMPANY during the term of this contract, as well as each PURCHASE ORDER, the SUPPLIER undertakes itself and its affiliates, advisers, officers, directors, agents, contractors, subcontractors, SUPPLIER'S EMPLOYEES and CONTRACTORS' EMPLOYEES not to

disclose, use, publish, or otherwise provide to third parties directly or indirectly related information or arising from the activities of the COMPANY, its products or services, and any information related to the object or execution of each PURCHASE ORDER. This includes but is not limited to: finished products or those that are in various stages of research and development, plans, projects, activities, research, expertise, services, trade secrets, business practices, specifications, drawings, sketches, models, information of molecules, prototypes, chemical products, know how, samples, reports, compilations, own client portfolio, price lists, technology, product development, distribution plans, contracts, sales, pricing policies, operating methods, technical processes, trade policies, and trade, financial and own or third-party received information issues, and that the COMPANY is obliged to regard as confidential information, which could be transmitted by any means, oral, visual, written, electronic, etc.

- 11.3. The COMPANY considers that all information disclosed, transmitted, disclosed, or communicated to the SUPPLIER (by any means, whether written, electronic, or verbal), is of strict confidential nature and property of the COMPANY.
- 11.4. This shall not apply to public domain information or that the SUPPLIER could prove conclusively and to satisfaction of the COMPANY to have received by other means.

This confidentiality clause shall remain in force for the duration of each PURCHASE ORDER and for the following 5 (five) years after the date on which the term expires thereof by any cause.

- 11.5. Any CONFIDENTIAL INFORMATION the COMPANY reveals, transmits, discloses, or communicates to the SUPPLIER, the SUPPLIER'S EMPLOYEES, CONTRACTORS' EMPLOYEES, contractors, and subcontractors or to which they have access on the occasion of the execution of each PURCHASE ORDER (by any means, whether written, electronic, or verbal), constitutes a trade secret in terms of the third title, single chapter of the Law on Industrial Property and therefore are subject to the provisions of articles 82, 83, 85, and 86 of such regulation so the SUPPLIER cannot disclose them without the express written consent of the legal representative of the COMPANY, the SUPPLIER accepting from this moment, that the violation or noncompliance of the provisions of this clause falls within the cases referred to in fractions IV, V, and VI of article 223 of the aforementioned Law of Industrial Property.
- 11.6. The SUPPLIER agrees to limit the disclosure of CONFIDENTIAL INFORMATION provided by the COMPANY only to the SUPPLIER'S EMPLOYEES, CONTRACTORS' EMPLOYEES, and/or collaborators directly related to the execution of the PURCHASE ORDERS. The SUPPLIER will ensure and celebrate with each of its employees, subcontractors, and third parties related to the SERVICES, confidentiality agreements under the terms stated in this clause to ensure compliance.
- 11.7. Both parties agree to consider the content of the execution of each PURCHASE ORDER as CONFIDENTIAL INFORMATION. Likewise, the SUPPLIER agrees with the COMPANY to make no reference in any means of promotion, advertising, media, or any other means of public access, to the name of the COMPANY, the products of the COMPANY, and their logos, trademarks, drawings, information that is directly or indirectly related to the COMPANY, or in general to the CONFIDENTIAL INFORMATION resulting from the execution of the PURCHASE ORDERS.

11.8. It is understood that unless expressly stated in PURCHASE ORDERS, the right of license or sub-license of patents or trademarks, trade names, or any intellectual and/or industrial property rights are not ceded or granted to the SUPPLIER.

11.9 Information integrity: Any documentation or relevant information on the accomplished activities, including but not limited to any documentation of Good Manufacturing Practices (GMP), must be attributable, original, accurate, legible, complete, controlled, accessible, and safe from any manipulation or intentional or unintentional loss. These conditions are required during the period of document retention of such information.

11.10. The violation of the provisions of this clause empowers the COMPANY to collect the contractual penalty agreed in terms of the PURCHASE ORDERS and these terms and conditions or otherwise, of the damages generated, regardless of the remedies and sanctions that may be legally applicable both in civil and criminal and administrative.

This is also understood regardless of the possibility of terminating each PURCHASE ORDER and these terms and conditions, if in the COMPANY's opinion this proves necessary and justified.

**TWELFTH.- Conflict of Interest.**

12.1. The SUPPLIER states under oath, that if it had provided its services in advance or after the date of acceptance of each PURCHASE ORDER, to other companies that compete directly or indirectly with the COMPANY his/her conduct has been and will be in accordance with the highest ethical business standards and therefore agrees not to violate any commitments previously acquired, as might be the confidentiality provided for in the previous ELEVENTH clause. In the same way the SUPPLIER undertakes, should it come to provide services similar to those set forth herein for any company that was direct or indirect competitor of the COMPANY, to inform the latter in such details as is legally possible without violating confidentiality agreements to the situation, so that the COMPANY can decide whether or not to terminate or cancel the PURCHASE ORDERS according to the TENTH and FOURTEENTH clauses.

12.2. The SUPPLIER may not, either directly or indirectly, while any PURCHASE ORDER is in force and for a period of 5 (five) years from the completion of each PURCHASE ORDER, perform similar activities to the business of the COMPANY or its affiliates or subsidiaries (hereinafter the "BUSINESS"), to hold any interest in, or be a member of the Board of Directors of, any company, commercial negotiation, or any other entity involved in similar activities to the BUSINESS of the COMPANY or administer, operate, work, or act as a consultant (in this case, except as provided in paragraph 12.1 above) in any society, commercial negotiation, or any other entity involved in similar activities to the BUSINESS of the COMPANY.

12.3. The SUPPLIER may not, either directly or indirectly, during the execution of the PURCHASE ORDERS and for a period of 5 (five) years from the termination of such SERVICE offer employment or seek the services from any of the employees of the COMPANY.

12.4. If the SUPPLIER fails to meet its obligations under this clause, the COMPANY may terminate each PURCHASE ORDER without any judicial declaration, without prejudice to any civil or criminal

action that may initiate and the collection in the case of damages, losses, and expenses that the above causes to the COMPANY, according to the terms provided in the following FOURTEENTH clause.

**THIRTEENTH.- COMPANY Defense and Compensation.**

13.1. The SUPPLIER shall indemnify and hold the COMPANY, its shareholders, affiliates, subsidiaries, employees, officers, and agents harmless and safe thereof from and against:

Any fines, contractual penalty, or sanction of any nature applied to the COMPANY by any authority, whether federal, state, municipal, or borough, judicial or administrative, as a result of the violation, breach, or non-observance of current legislation and these during execution of PURCHASE ORDERS by the SUPPLIER, either by the himself/herself or by any of its subordinates, suppliers, contractors or subcontractors, SUPPLIER'S EMPLOYEES and/or CONTRACTORS' EMPLOYEES, and in general, by any third party with whom the SUPPLIER reaches an agreement to comply partially or totally with each PURCHASE ORDER.

13.2. Also, the SUPPLIER shall indemnify and hold the COMPANY harmless and safe from and against any claim, demand, loss, expense, contractual penalty, or damage for concept or as a result of:

- a) Failure to comply with the terms in which the execution of the PURCHASE ORDERS must be carried out by the SUPPLIER or the SUPPLIER'S EMPLOYEES or SUPPLIER'S contractors or subcontractors or CONTRACTORS' EMPLOYEES under this whenever it comes to causes attributable to these subjects and not the COMPANY or its employees.
- b) Damage or partial or total loss of any equipment, supply, inventory, or facility belonging to the COMPANY or that for any circumstance it is found in the facilities of the latter.
- c) The issuance and/or registration and/or delivery on the part of the SUPPLIER of any false document and/or fraudulent or invoices not meeting the specifications in accordance with the applicable law.
- d) Any noncompliance of the SUPPLIER related to PURCHASE ORDERS and these terms and conditions due to the fault, negligence, and/or unlawful acts of the SUPPLIER himself/herself, the SUPPLIER'S EMPLOYEES, his/her contractors, subcontractors, and the CONTRACTORS' EMPLOYEES (hereinafter the "CLAIM"), including without limitation, breach in the collection and payment of taxes or Social Security amounts that may be applicable, or breach of any applicable laws The SUPPLY.
- e) Any other similar situation that damages or harms the COMPANY.

13.3. The SUPPLIER must hire at its own cost legal services for the defense of any CLAIM filed against the COMPANY related to SUPPLY subject of each PURCHASE ORDER and the actions of the SUPPLIER'S EMPLOYEES, his/her contractors, subcontractors, and CONTRACTORS' EMPLOYEES, on the understanding that such consultation and representation should be satisfactory for the COMPANY. If the COMPANY reasonably determines that any CLAIM or proposed settlement of a CLAIM



may adversely affect the COMPANY, the latter can take control and defense of the CLAIM, and the SUPPLIER shall cover defense costs, including, but not limited to lawyers' professional fees.

- 13.4. The SUPPLIER will not accept any settlement or transaction of a CLAIM without the express written consent of the COMPANY.

**FOURTEENTH.- Rescission.**

14.1. In case of noncompliance from any of the parties the PURCHASE ORDERS may be canceled by the party affected by such noncompliance, without judicial notice and only with the written notice provided, for this purpose, to the party in breach, notification to be made with 10 (ten) business days in advance (hereinafter the "CURE PERIOD") to the effective date of termination. This, in order so that the party in breach may, where appropriate, remedy it, according to the following during the CURE PERIOD.

14.2. Upon notification of termination made in terms of the present clause, and during the CURE PERIOD, the party in breach shall: (i) remedy the breach in satisfactory manner for the affected party, (ii) propose a longer period to remedy its breach, considering for the purpose and adequately demonstrating to the satisfaction of the affected party that noncompliance cannot be compensated for within the CURE PERIOD or (iii) accept the notice of termination and comply with all obligations under its responsibility in the case of termination of each PURCHASE ORDER in terms of the NINTH clause.

14.3. In case the party that fails to comply (a) does not to remedy the noncompliance within the CURE PERIOD, (b) does not present a plan to remedy the breach in a longer term considering that the CURE PERIOD is insufficient or (c) having presented thereof it is not satisfactory for the affected party, each PURCHASE ORDER will be considered terminated *ipso iure*, without the need for judicial statement to its regard.

In any of the three cases mentioned in this paragraph and in the event that the breaching party expresses its conformity with the notice of termination, the affected party due to the breach will be empowered to claim in the event that it deems applicable, the damages, losses, and expenses that the breach and termination aforementioned shall cause, having for this purpose to notify them to the non-complying party so the latter can immediately proceed to make the payment or bring such corresponding actions for the collection thereof by the dispute resolution mechanisms available.

14.4. The damages, losses, and expenses incurred by virtue of the termination shall be without prejudice and will be fully independent of conventional penalties if any, agreed on the respective PURCHASE ORDERS, for delays or defects in the execution of PURCHASE ORDERS or violation to the confidentiality agreement.

In case of enacted termination in accordance with the above, if the Parties agreed in the PURCHASE ORDER granting performance guarantees, whatever their nature (performance bond, pledge, mortgage, or other), the parties agree that the termination will empower the COMPANY only to execute the guarantee to recover damages, losses, and expenses that such breach and termination have caused, this regardless of the damages or contractual penalties, if such contractual penalties

were agreed upon in the PURCHASE ORDER or default interest which were received during the term of each PURCHASE ORDERS for delays or defects in the execution of the PURCHASE ORDERS.

14.5. If the party in breach does not agree with the determination and collection of damages and losses as a result of the breach and termination, it may promote actions, exceptions, or defenses deemed necessary for that purpose in accordance with the dispute settlement mechanisms provided here.

14.6. The parties expressly agree that the party that does not accept the termination of each PURCHASE ORDER or the determination of damages and losses decreed in accordance with the above and promote some of the dispute settlement mechanisms provided herein without valid reason and be condemned therein, must pay the damages and losses that this unjustified procedure causes to the other party, including but not limited to the payment of reasonable attorneys' fees generated to this matter throughout the settlement process of the respective dispute.

**FIFTEENTH.- Causes of Termination.**

The causes mentioned below will be grounds for rescission from each PURCHASE ORDER:

A) Reasons attributable to the SUPPLIER:

1. If the SUPPLIER, the SUPPLIER'S EMPLOYEES, as well as any other dependent or official of the SUPPLIER, contractor, subcontractor, or CONTRACTOR'S EMPLOYEES, sues the COMPANY by any means, motive, and reason.
2. The SUPPLIER fails to deliver the SUPPLY in due course or is not provided in the terms and conditions agreed in each PURCHASE ORDER and in these terms and conditions and to the entire satisfaction of the COMPANY.
3. The SUPPLIER fails to comply with any of its obligations set to his/her charge in any PURCHASE ORDER.
4. The SUPPLIER does not comply with the statements herein expressed, or either of them is false or ceases to be true in the future.
5. The SUPPLIER fails to comply in the recruitment and maintenance of guarantees or insurance, to be granted in favor of the COMPANY as established in the PURCHASE ORDERS.
6. The SUPPLIER, its affiliates, advisers, officers, directors, agents, contractors, subcontractors, SUPPLIER'S EMPLOYEES or CONTRACTORS' EMPLOYEES, violate or fail to comply directly or indirectly with the obligation of confidentiality pursuant to the ELEVENTH clause.
7. The SUPPLIER, SUPPLIER'S EMPLOYEES, CONTRACTORS' EMPLOYEES, contractors, or subcontractors during and by the execution of the PURCHASE ORDERS or out context of thereof cause any damage to the COMPANY, to any of its employees, shareholders, customers, or partners.
8. The SUPPLIER, any of its executives, CONTRACTORS' EMPLOYEES, SUPPLIER'S EMPLOYEES, contractors, subcontractors, or shareholders are allegedly responsible or

liable for the wrongdoing against the COMPANY or any third party, unless the own SUPPLIER takes sufficient precautionary measures in opinion of the COMPANY to protect its interests, its employees, customers, or shareholders.

9. The intervention, suspension of payments, or insolvency or bankruptcy from the SUPPLIER.
10. The dissolution, demerger, merger, or liquidation of the SUPPLIER.
11. The assignment or subcontracting by the SUPPLIER of the rights or obligations contracted with the COMPANY arising from the execution of each PURCHASE ORDER without the prior written consent of the COMPANY.
12. The SUPPLIER does not pay the amounts of contractual penalty that, if applicable, must pay to the COMPANY, or that he/she is obliged to pay the maximum amount of contractual penalty established in the PURCHASE ORDERS.
13. The SUPPLIER does not give timely compliance to any of the obligations in labor or social security matter in accordance to the provisions in the THIRD clause.
14. The SUPPLIER does not allow the COMPANY to dictate compliance with the obligations that correspond to the SUPPLIER on social security matter in accordance with the THIRD Clause.
15. The SUPPLIER, or its shareholders, officers, SUPPLIER'S EMPLOYEES, contractors, or CONTRACTORS' EMPLOYEES violate any obligation arising from the document in which he/she/they accept(s) to follow in agreement with the Ethical Business Practices of the COMPANY or any violation by the SUPPLIER or its shareholders, officers, SUPPLIER'S EMPLOYEES, contractors, or CONTRACTORS' EMPLOYEES to the provisions in the TWENTY-FIRST clause, on the understanding that in the case provided by this subparagraph the CURE PERIOD shall not apply as provided in previous FOURTEENTH clause and each PURCHASE ORDER will terminate *ipso iure* with the notice that the COMPANY issues to the matter.
16. Change of control of shareholders with voting rights over 75% (seventy five percent) of the shares comprising the share capital of the SUPPLIER without prior notice to the COMPANY; or that for any reason, the directors with voting rights who currently control 75% (seventy five percent) of the vote in the Board of Directors of the SUPPLIER, stop having the casting vote in the Board of Directors of the SUPPLIER.
17. The violation to the following NINETEENTH clause on intellectual and industrial property of the COMPANY and the ELEVENTH on confidentiality matter.
18. The violation of the provisions of the previous TWELFTH clause.

B) Causes attributable to the COMPANY:

Sole. That the COMPANY does not deliver on 3 (three) consecutive occasions, the amounts of COMPENSATION that it is

being obliged to, under the provisions of the PURCHASE ORDERS.

#### **SIXTEENTH.- Addresses.**

- 16.1 For any notification regarding the PURCHASE ORDERS and in general for all purposes of these terms and conditions, the parties indicate as their addresses those established in the PURCHASE ORDERS.
- 16.2 Notifications to be carried out by the parties, must be carried out personally, by registered mail or specialized courier service, or via e-mail with acknowledgment of receipt. In case any of the parties shall change address they shall notify it in advance to the other party, otherwise any notification to the addresses or telephone numbers above shall be considered as effectively executed.
- 16.3 The parties hereby designate as contacts for everything related to this contract the persons mentioned in the PURCHASE ORDERS.
- 16.4 The parties may replace the CONTACTS at any time, upon written notice from the party that wishes to carry out the replacement, to the other party with an anticipation of 15 (fifteen) calendar days to the date of substitution provided that such notification is made in accordance with the above.
- 16.5 The parties acknowledge and agree that in any moment CONTACTS should be considered as proxies or legal representatives of the parties; so for this reason, acts carried out by them outside the scope permitted in this clause shall not be binding in any way to the parties. In case the SUPPLIER comes to provide SERVICES to the COMPANY at the request of any person other than a CONTACT from the COMPANY, the COMPANY may consider such SERVICES as not provided and consequently will not be obliged to make the payment.

#### **SEVENTEENTH.- Order of precedence.**

- 17.1 The parties agree that each PURCHASE ORDER is made up of these Terms and Conditions, PURCHASE ORDERS that are abided by if applicable, representing such documents as a whole, the entire agreement and understanding on the execution of the PURCHASE ORDERS to be carried out by the SUPPLIER and the compensation to be covered by the COMPANY. The parties also agree that the aforementioned documents must be interpreted harmoniously and jointly on the understanding that, if there is contradiction between them, the PURCHASE ORDERS must prevail in the first place.

#### **EIGHTEENTH.- Guarantees and Contractual Penalty.**

- 18.1 If the parties have so agreed and stated in the PURCHASE ORDERS, the SUPPLIER must obtain a duly constituted and authorized bonding company by the Ministry of Finance and Public Credit and with recognized financial strength, a security to guarantee the correct compliance of SERVICES, understood by proper performance of SERVICES, to be performed by the SUPPLIER within the deadlines and under the terms and conditions provided in the PURCHASE ORDERS. The parties also may agree to grant other type of guarantee within the PURCHASE ORDERS or agree not provide any guarantee

regarding compliance of the obligations of the SUPPLIER. In this latter case, the COMPANY shall nevertheless be entitled at all times to claim in case of noncompliance attributable to the SUPPLIER, in addition to the consequent termination of each PURCHASE ORDER, the damages, losses and expenses that such failure has caused to the COMPANY independently of damages, losses, or contractual penalties that have been generated and/or collected prior to the termination for late payments or of noncompliance degree independent of the own termination.

18.2 If the parties have so agreed and stated in the PURCHASE ORDERS and independently of the possibility of terminating and executing if applicable the guarantee granted where appropriate, in accordance with the above, the SUPPLIER must pay the COMPANY the amount of the contractual penalty(ies) set up in the PURCHASE ORDERS in the following cases:

- a. Substantial noncompliance of any obligation arising from the PURCHASE ORDERS and these terms and conditions. It shall mean substantial noncompliance, breach hindering proper execution of the PURCHASE ORDERS. The amount of the penalty will be calculated as provided in the PURCHASE ORDERS.
- b. Delayed delivery times by the SUPPLIER. The amount of the penalty will be calculated based on the amount of SERVICES not rendered or goods not delivered on time, and depending on the number of days of delay, as stipulated in the PURCHASE ORDERS
- c. Failure to comply with the specifications in quotations submitted by SUPPLIER and approved by the COMPANY.

#### **NINETEENTH.- Copyright, Industrial Property.**

19.1. In relation to the purpose of each PURCHASE ORDER and in cases where applicable, "WORK PRODUCT" will mean each and every of the documents or tangible or intangible property that are the result of SERVICES in any way arising of or related to the SERVICES developed or generated by the SUPPLIER, contractors, subcontractors, SUPPLIER'S EMPLOYEES or CONTRACTORS' EMPLOYEES, or by the COMPANY, its employees, directors, officers, or shareholders.

19.2. The COMPANY at all times shall own: (i) the WORK PRODUCT, considered for this reason as the author thereof, (ii) all trademarks, trade secrets, patents and other intellectual and industrial property, and exclusive property rights related to the WORK PRODUCT.

19.3. The SUPPLIER undertakes to, provide the SERVICES, not encroach intellectual or industrial property rights or any other type or similar, owned by the COMPANY or third party.

19.4. The parties agree that trademarks, patents, logos, advertisements and/or trade names of the COMPANY or its affiliates, and other names and brands that have the words SCHERING-PLOUGH and/or ORGANON and any other stipulated in the PURCHASE ORDERS are and will remain as exclusive property of the COMPANY and/or its affiliates so the SUPPLIER shall have no rights whatsoever over these patents, trademarks, names, logos, or other intellectual property, owned by the COMPANY and/or its affiliates.

The SUPPLIER shall not use the brands of the COMPANY in relation to the SERVICES covered by each PURCHASE ORDER unless it has the express written consent of the legal representative of the COMPANY.

19.5. The parties agree that the celebration of each PURCHASE ORDER does not imply the granting of license, transfer, sale, or transfer of trademarks or patents, copyright, royalties, rights of intellectual or industrial property, or possession of the COMPANY to the SUPPLIER.

19.6. The SUPPLIER is obliged to hold the COMPANY harmless and free, in case of judicial or extrajudicial complaints regarding the violation or alteration of any intellectual or industrial property owned by the COMPANY, its affiliates, subsidiaries, and related companies, being obliged to pay damages and losses that could be caused to the COMPANY, as well as expenses, legal fees, and judicial costs that due to noncompliance the COMPANY could be forced to pay.

#### **TWENTIETH.- File Control.**

20.1 Records and files from the SUPPLIER, including but not limited to, tax records, payroll, entries and ledgers, policies, written procedures, correspondence, and other evidence necessary to prove expenses that relate to each PURCHASE ORDER (hereinafter and in conjunction the "RECORDS") and the SUPPLIER'S facilities must be available in working days and hours, for inspection and subject to audit and/or reproduction, by the authorized representative of the COMPANY, to the extent necessary to adequately allow the assessment and verification of any payment made by and to the SUPPLIER in relation to the SERVICES.

20.2 The SUPPLIER is obliged to keep the RECORDS accurately and complete, including contracts, documents, mail, ledgers, invoices, service orders, and any information related to each PURCHASE ORDER.

20.3 The RECORDS are kept in accordance with accounting practices for a period of 5 (five) years after the termination of the term of each PURCHASE ORDER.

20.4 The SUPPLIER is obliged to allow the COMPANY or whoever the COMPANY authorizes, to examine and audit the RECORDS, at expense and cost of the COMPANY, notifying the SUPPLIER in writing and in advance with at least 2 (two) business days prior to the date in which such review is expected to be conducted.

20.5 The COMPANY shall be entitled to audit the RECORDS, during the term of each PURCHASE ORDER and for a period of 2 (two) years from the termination for any reason of such PURCHASE ORDERS. The information contained in the RECORDS that may have confidential nature under contractual obligations of the SUPPLIER against third parties, or applicable laws, shall only be withheld when the SUPPLIER proves that it has exhausted all legal means at his/her disposal to disclose such information.

#### **TWENTY-FIRST.- BUSINESS ETHICS:**

21.1. General principles. The SUPPLIER recognizes that corporate COMPANY policy requires that businesses of the latter are conducted within the letter and spirit of applicable laws in all countries where they conduct transactions of any kind. By means

of signing this PURCHASE ORDER, the SUPPLIER agrees to conduct all commitments entrusted to him/her under this PURCHASE ORDER, in strict compliance with international and local laws applicable in the United States of Mexico and with the good business ethics within the Mexican Territory and the ethical business policies of THE COMPANY ("COMPANY POLICY ON ETHICAL BUSINESS PRACTICES") which are of the knowledge and acceptance of the SUPPLIER, according to the document attached hereto as Annex. The SUPPLIER further undertakes to comply with any other COMPANY policy to be included in the Annex.

The SUPPLIER agrees, states, and warrants that, both himself, his directors, employees, officers, and any person acting on his/her behalf, including without limitation, his/her contractors and CONTRACTORS' EMPLOYEES, they will not offer, make, or promise any payment, directly or indirectly, being money or other assets, including, without limitation, to any economic benefit to the SUPPLIER through this PURCHASE ORDER (hereinafter, collectively referred to as "PAYMENT"), to any public official, officer, or employee of any federal, state, or municipal entity, any government or political party, or officials of international institutions, candidates for public office, or representatives or other businesses, or people acting on behalf of any of the above (hereinafter, collectively referred to as "OFFICIALS"), where such PAYMENT can:

- 21.2. Constitute a violation of any local, federal, or international law, including, but not limited to the FCPA (for its acronym in the English language "Foreign Corrupt Practices Act" or Corrupt Practices Act Abroad United States of America, as hereinafter "FCPA") or where such Payment can update an offense under the Federal Criminal Code or on the Criminal Codes of the States of the Mexican Republic.
- 21.3. Obligations of the Parties. By signing this PURCHASE ORDER the Parties agree and undertake to act regarding any business, obligation, or management under this instrument, in a consistent manner with whichever applicable laws, including the FCPA, good business ethics, and COMPANY POLICY ON ETHICAL TRADE PRACTICES as defined in this clause.
- 21.4. SUPPLIER'S specific obligation. Specifically, the SUPPLIER guarantees that in relation to this PURCHASE ORDER and the obligations that under his/her charge arise from it and any business related to it, that none of its directors, employees, officers or anyone acting on his/her behalf, including without limitation, his/her contractors and CONTRACTORS' EMPLOYEES offer, make, or promise, directly or indirectly, any PAYMENT to any OFFICIAL when such PAYMENT has intentions to influence the decisions of any OFFICIAL in relation to the SUPPLIER or THE COMPANY or, constitute a violation of any applicable law, whether in the United States of Mexico or the United States of America, including but not limited to the FCPA.
- 21.5. Obligation to not make payments to OFFICIALS. In addition, regardless of the potential legality thereof, the SUPPLIER undertakes not to make any PAYMENTS, directly or indirectly, to any OFFICIAL if that PAYMENT aims at or could be used or interpreted as a means to influence in the decisions or actions regarding the subject matter of this PURCHASE ORDER to the business activities of the SUPPLIER, the COMPANY, or its subsidiaries in the Mexican Territory or in any other country and jurisdiction in the world.

- 21.6. Veracity of Statements of the SUPPLIER. The SUPPLIER states and warrants that before and during the response to the FCPA questionnaire, he/she has provided accurate and complete information and precise documentation to the COMPANY, its subsidiaries, and its staff. The SUPPLIER equally states and warrants that in the course of any audit and/or review that may have been conducted he/she has provided information and complete, accurate, and precise documentation to the COMPANY, its subsidiaries and its staff, of who its officers, employees, owners, or people directly or indirectly employed by him/her are, as could be Officials or relatives of Officials. The SUPPLIER undertakes to provide and will provide whichever other information as may be necessary to ensure that the information provided will remain complete and accurate throughout the duration of the contract. The SUPPLIER also warrants that any future information and documents submitted as part of any other audit, verification, or certification will be complete and accurate.
- 21.7. Payments-related documents. The SUPPLIER states, warrants, and stipulates that all books, records, invoices, and other documents related to payments and expenditures to be made under this PURCHASE ORDER, are and will be complete, are and will be accurate, and will reflect the nature and the amount of transactions and expenses in sufficient detail. The SUPPLIER undertakes to make available to the COMPANY and any third party that reasonably the latter indicates, all books, records, invoices and other documents related to payments and expenses under this PURCHASE ORDER to audit and review the veracity of his/her previous statements. Under the previous TWENTIETH Clause, the SUPPLIER will not be obliged to make available to the COMPANY information that is considered confidential and/or classified under contractual obligations to third parties, or to the applicable laws.
- 21.8. Obligation not to use funds. The SUPPLIER states, warrants, and undertakes that he/she will not keep nor use funds "off the books" or the like, with respect to this PURCHASE ORDER. The SUPPLIER shall not engage the services of any OFFICER to assist him/her in fulfilling this PURCHASE ORDER. In addition, the SUPPLIER agrees that with respect to matters covered by this PURCHASE ORDER, he/she shall not engage the services of any third party without prior authorization of THE COMPANY.
- 21.9. Obligation of the SUPPLIER and of the CONTRACTORS' EMPLOYEES. The SUPPLIER undertakes to ensure that all his/her employees, as well as his/her contractors and CONTRACTORS' EMPLOYEES that participate in fulfilling the obligations under this PURCHASE ORDER, are specifically aware of compliance requirements under this clause. The SUPPLIER also requires that all employees, contractors, and CONTRACTORS' EMPLOYEES related to this PURCHASE ORDER and related to the COMPANY and its products participate in training sessions on the matter determined by the COMPANY itself, for which the COMPANY will provide necessary promotional training material for the SUPPLIER to impart the corresponding training. In addition, the SUPPLIER agrees to certify its continued compliance with the requirements set out in this paragraph on a regular basis during the term of this PURCHASE ORDER, the way that the COMPANY may reasonably specify from time to time and to satisfaction of the latter.
- 21.10. Books and Accounting Records Audit. The COMPANY shall be entitled to audit the corresponding books and accounting records of the SUPPLIER to ensure compliance with this clause for a period of two years from the termination for any reason of this

PURCHASE ORDER. On the understanding that the SUPPLIER will not be obliged to make available to the COMPANY information that is considered confidential under contractual obligations to third parties, or to the applicable law.

21.11. Failure to Business Conduct. The COMPANY shall be entitled to terminate this PURCHASE ORDER immediately if there is any violation of this clause or any noncompliance of a representation or warranty contained therein, without it being necessary or required to give written notice 10 (ten) business days in advance under FOURTEENTH clause of this PURCHASE ORDER. The defaulting party will be obliged to comply with the provisions of this clause and to inform the competent authorities all that is required for this purpose and to indemnify and hold the affected party harmless of any contingency, claim, damage, or loss this could cause to it.

21.12. Also, the SUPPLIER undertakes to (i) cooperate with the COMPANY, its head office, and any of its affiliates, directors, officers, and employees, to remedy any act or omission of the SUPPLIER or third parties acting on its behalf, including without limitation, contractors and CONTRACTORS' EMPLOYEES, which constitute a violation of the herein provided and to (ii) release and hold the COMPANY harmless, its head office, and any of its affiliates, directors, officers, and employees, from any liability of any kind (including costs and attorneys' fees associated with defending against claims or lawsuits related to the concepts outlined above in this clause) either by proper acts or omissions from or any employee, officer, agent or contractor, or CONTRACTORS' EMPLOYEES; understanding these include, but not limited to, that violate the provisions of this clause.

21.13. The SUPPLIER states and warrants that neither him/her nor its officers or directors are included in the lists of denied parties and/or entities of the US, the EU, or any other jurisdiction that is applicable to products or technical information provided under this PURCHASE ORDER, as notified by the COMPANY to the SUPPLIER from time to time. All of the above will be defined jointly as "Lists of Denied Parties and/or Entities". At the date of this PURCHASE ORDER, the Lists of Denied Parties and/or Entities are the US Treasury Department's List of Specially Designated Nationals and Blocked Persons (<http://www.treasury.gov/ofac/downloads/t11sdn.pdf>) (the "SDN List"), US Department of Commerce Denied Persons List (<http://www.bis.doc.gov/dpl/thedenialist.asp>) and List of Entities (<http://www.bis.doc.gov/entities/default.htm>), and consolidated List of Persons, Groups, and Entities subject to financial sanctions from the EU ([http://ec.europa.eu/external\\_relations/cfsp/sanctions/list/version4/global/e\\_ctlview.html](http://ec.europa.eu/external_relations/cfsp/sanctions/list/version4/global/e_ctlview.html)). Also, if the Counterparty were resident in the US or any activity resulting from this PURCHASE ORDER, taking or may come to take effect in the US, the following lists will also be part of the "List of Denied Parties and/or Institutions": the US Department of Health and Human Services' list, website of the Office of General Inspector, including the provisions of title 42 of the Code 1320a-7(a) of the US (<https://oig.hhs.gov/exclusions/authorities.asp>), the list of Individuals/Entities Excluded from the Office of General Inspector (<https://oig.hhs.gov/exclusions/index.asp>) or the list of Parties Excluded from the Federal Programs of the US General Services Administration (<http://www.sam.gov>), or any list of any US federal agency that contain suspended, debarred, excluded or otherwise ineligible parts to participate in federal acquisition and no acquisition programs, including the provisions of Title 21 of the Code 335a of the US ([http://www.fda.gov/ora/compliance\\_ref/debar](http://www.fda.gov/ora/compliance_ref/debar)). The SUPPLIER

also represents and warrants that it is not owner of 50% or more of any legal entity that appears on the SDN List. In addition, the SUPPLIER represents and warrants that he/she will immediately notify THE COMPANY in writing if THE SUPPLIER or any of its officers or directors is listed on any of the lists of denied parties and/or entities of the US or EU, or if the SUPPLIER becomes in a 50% or more owned to a person included on the SDN List.

21.14. In case of inaccuracy or noncompliance in the statements and representations mentioned in section 21.13. Aforementioned, the COMPANY shall have the right, at any time, to immediately terminate this PURCHASE ORDER. THE PROVIDER agrees to indemnify and hold THE COMPANY harmless against any inaccuracy or noncompliance of the statements and representations set forth above in section 21.13. This provision will survive the termination by any cause of this PURCHASE ORDER.

## **TWENTY-SECOND. - Safety Measures.**

The SUPPLIER agrees to give the COMPANY the following safety measures at the expense and cost of the SUPPLIER and without liability or cost for the COMPANY:

### **I. Staff recruitment by the SUPPLIER:**

a) Perform full socio-economic studies to each EMPLOYEE of the SUPPLIER or third party, including without limitation and as it applies to CONTRACTORS' EMPLOYEES, who provide services for the latter.

This will include without exception, verification of: (i) original documents of natural or juridical person who provides services to the SUPPLIER, (ii) his/her address, physically, (iii) references from previous employers, personal references and references from neighbors, and (iv) all information necessary to carry out the study, which will form part of the record of each SUPPLIER'S EMPLOYEE or third party, including without limitation CONTRACTORS' EMPLOYEES, who provide services for the latter, assigned to the COMPANY.

b) To conduct toxicology tests every six months in any of the existing market arrangements, to all drivers of the SUPPLIER providing services to the COMPANY, including at least the detection of: marijuana, amphetamines, cocaine, opiates, barbiturates.

c) All SUPPLIER'S staff or third party, including without limitation CONTRACTORS' EMPLOYEES that are assigned to the COMPANY, must have at least one year serving in the position held within the SUPPLIER'S company or its contractor, as appropriate. In the event that the SUPPLIER would want to assign an employee with less time of service, such employee must be certified under the trust control system called "Ópald", duly checked, system which the SUPPLIER hereby expressly states to know.

### **II. Records of assigned personnel to provide services for the COMPANY.**

The SUPPLIER must integrate and keep the record of each of the SUPPLIER'S EMPLOYEES assigned to the COMPANY updated, including, without limitation: (i) the corresponding registration in the Mexican Social Security Institute, (ii) valid driving license

type "B", for the case of motor carrier operators, (iii) socio-economic study, (iv) toxicological results, (v) valid official identification from each employee, and if applicable, (vi) the certificate of approval of the confidence control test.

III. Global Positioning System ("GPS") for auto transport and other equipment.

The SUPPLIER undertakes that all vehicles assigned to provide the SERVICE to the COMPANY have the Global Positioning System (hereinafter "GPS"). This system must be in optimal operation, 100% (one hundred percent) for the duration of the PURCHASE ORDERS and the SUPPLIER shall keep a daily record to document that the GPS operates correctly. The SUPPLIER is strictly forbidden from assigning units in which this system is not operating as provided in this section to service the COMPANY.

- a) The GPS equipment should have at least record of: (i) door opening, (ii) engine stop, (iii) two-way channel of communication, (iv) additional charging backup device, and (v) panic button.
- b) The SUPPLIER must have an answering service that can respond to an emergency, with direct communication with federal, state, and municipal authorities, depending on the location of the carrier at the time of activation.
- c) The SUPPLIER shall monitor the GPS system at least every 5 (five) minutes, once the vehicle is loaded with the product or assets from the COMPANY that make part of the SERVICES and until their final destination according to the route assignment. This, on the understanding that all detour made by the SUPPLIER of any transport unit, shall be considered as an assault or theft to the unit, abiding by the content on subparagraph IV. following this clause, so the SUPPLIER will provide the COMPANY all data related to the incident in a period not exceeding 30 (thirty) minutes after the SUPPLIER'S EMPLOYEE and/or CONTRACTOR'S EMPLOYEE has/have knowledge the fact.
- d) The SUPPLIER will train the transport operator on the correct handling of GPS, as well as the rules and procedures to be followed in cases of assault or robbery.
- e) Have security measures in their transport containers such as security seals, steel wire ropes or equivalent to prevent access by anyone to the goods.
- f) Have radio communication systems in each of the units carrying requested products by the COMPANY and which form part of the SERVICES: The devices will have frequency for communication within the same company and may not be used to call any outside line.

IV. Assaults or Burglary to motor transport.

- a) In case of an assault, theft, or partial or total loss of products requested by the COMPANY and forming part of the SERVICES, the SUPPLIER will provide the COMPANY all data related to the incident in a period not exceeding 30 (thirty) minutes after the time the SUPPLIER's employee and/or CONTRACTOR'S EMPLOYEE has/have become aware of the fact, giving notice both by telephone and in writing about the incident to the Director of Security of the COMPANY, to the following information: Lic. Andrés Jurado  
E-mail: [andres.mauricio.jurado.orejuela@organon.com](mailto:andres.mauricio.jurado.orejuela@organon.com)

- b) In case of assault, theft, or partial or total loss of products requested by the COMPANY and forming part of the SERVICES, the SUPPLIER is obliged to initiate a preliminary investigation and follow up to the competent judicial authorities about the incident and allow at all times that the personnel involved in the incident is submitted to subpoenas or attend the necessary steps in the case, it must also provide a copy of this inquiry to the COMPANY.
- c) The SUPPLIER undertakes to cover the COMPANY of all expenses, including travel expenses, incurred by the COMPANY as a result of any diligence that has to be carried out before the pertinent authority. This includes expenses and attorneys' fees that shall be elected and appointed by the COMPANY.
- d) The SUPPLIER undertakes to support at all times the COMPANY with the elements that the latter requested, so that the COMPANY can initiate an internal investigation into the incident in question, making the SUPPLIER available to the COMPANY, to the staff of the SUPPLIER and/or to the CONTRACTORS' EMPLOYEES involved for any proceedings that the COMPANY deems appropriate, in order to determine responsibilities for the act in question. Also, the SUPPLIER is obliged to immediately deliver any document related to the PURCHASE ORDERS that has been requested by the COMPANY.
- e) In the event that any transport unit assigned to the COMPANY have failures due to problems of any kind, preventing thereof to continue on the route, the SUPPLIER's carrier is obliged to request the latter to send a unit in good condition, unit that should reach the place where the failed unit is found, in a maximum period of one hour. This, in order to transport the products requested by the COMPANY and forming part of the SERVICES, of the broken-down transport unit to the transport unit in good condition.

V. Generalities

- a) It is strictly forbidden for the SUPPLIER to circulate in transport units with the products requested by the COMPANY and forming part of the SERVICES, after 7:00 PM, unless preauthorized in writing by the Corporate Security area of the COMPANY, for such purposes and by the Director of Security of the latter, if any.
- b) It is strictly forbidden for the SUPPLIER to provide information to unauthorized persons relating to the shipment of products requested by the COMPANY and forming part of the SERVICES, such as, content, destinations, schedules, customers, or travel routes, etc. The violation of this provision shall be grounds for immediate termination of the PURCHASE ORDERS by the COMPANY, regardless of the applicable legal measures. In case of partial or total theft of products requested by the COMPANY and forming part of the SERVICES, derived from the breach of SUPPLIER to the provisions of this paragraph, or any other cause, the staff of the SUPPLIER and/or CONTRACTORS' EMPLOYEES involved in the breach, may face charges by the COMPANY.
- c) Operators of transport units must travel with doors closed and locked at all times.
- d) It is prohibited that operators who transport units consume

alcoholic beverages and drugs before and during the process of product delivery.

- e) It is forbidden for operators of transport units to leave the loaded transport unit on public roads, streets and/or highways. The SUPPLIER agrees to use established and duly authorized pensions by the COMPANY.
- f) Comply with Federal and State Transit regulations, specifically with regard to speed limits and/or Traffic signs and parking.
- g) At the time of loading and unloading or when parking for these operations, operators of transport units should monitor both the environment and the people around them, in order to detect any dangerous or suspicious condition.
- h) The SUPPLIER, after picking up the load of the products requested by the COMPANY and forming part of the SERVICES, should be headed to his/her final destination, without any intermediate stop. The operator of a transport unit en route is strictly prohibited to make stops, in particular for:
  - Refueling at service stations not authorized by the COMPANY and only when the capacity of the transport unit so requires.
  - Provide assistance to any third party.
  - Buy any product, for example, foods, drinks, or cigarettes.
  - Talk on the phone.
  - Leaving the units, for whatever reason with the keys and/or cargo doors open.
  - Ride the transport unit with persons outside the operation.
- i) All SUPPLIER personnel, as well as the CONTRACTORS' EMPLOYEES are obliged at all times to observe and comply with the policies and procedures established by the COMPANY, while staying on the premises of the latter.
- j) The SUPPLIER is obliged to only use toll roads, in addition to observing the restrictions that the Security Directorate of the COMPANY marks, in road sections where the crime rate is of danger.

#### VI. Sanctions.

In the event of breach by the SUPPLIER to the content of this clause, or if theft, damage, or partial or total loss of products forming part of the SERVICES is present, derivative or that might result in a violation of the this clause by the SUPPLIER, or that it is reasonably presumed that the theft, damage, or partial or total loss, was due to negligence, carelessness, or fraud from the SUPPLIER, the latter shall be liable for the payment of damages and losses caused to the COMPANY. Also, the SUPPLIER will cover the COMPANY within 30 (thirty) calendar days after the event, the total cost for the loss of products requested by the COMPANY and forming part of the SERVICES that are stolen, damaged or lost, whether this event occurs within its warehouse or Distribution Center or in transit in transport units of the SUPPLIER, in other words, those who are in their custody. The total cost for the loss of those products requested by the COMPANY forming part of the SERVICES that are stolen, damaged or lost will be covered at a rate of 35% (thirty five percent) of the invoice value of the transported products.

#### **TWENTY-THIRD.- Pharmacovigilance (Reports of Adverse Events).**

- 23.1 The Parties recognize the normative nature of the company and its operations, therefore, the SUPPLIER, will follow the procedures provided by the COMPANY regarding reports of adverse events and complaints about product quality, whose current version will be provided to the SUPPLIER by the COMPANY if necessary. It is understood and agreed that the requirement for the provision of reports of adverse experiences is based on regulatory requirements worldwide for the reporting of adverse experiences and policies and procedures of the COMPANY, for the implementation of the regulatory reporting requirements. The COMPANY, will notify in writing to the SUPPLIER, any significant changes in regulatory requirements worldwide that will impact the terms of the agreement or any other significant change in the policies and procedures of the COMPANY for reporting adverse experiences that impact the terms of the agreement, employees of THE SUPPLIER must comply with these changes.
- 23.2 In the event that during the term and/or during the period of thirty (30) calendar days after the end of each PURCHASE ORDER should the SUPPLIER have contact and/or potential contact with the products of the COMPANY and/or should he/she had knowledge of any adverse events or quality complaints relating to such products, he/she is obliged to comply with the document containing the terms and conditions for the case of adverse events and product quality complaints. (TERMS AND CONDITIONS OF PHARMACOVIGILANCE), according to the document that was previously mentioned.

#### **TWENTY-FOURTH.- Assignment**

- 24.1 The SUPPLIER agrees not to assign or subcontract all or part of the rights and obligations arising from PURCHASE ORDERS, unless approved in writing by the COMPANY. Meanwhile the COMPANY may assign the rights and obligations arising from PURCHASE ORDERS, to any subsidiary company, parent or subsidiary, without any consent by the SUPPLIER. In this case the COMPANY will give written notice to the SUPPLIER of the assignment, within 30 (thirty) business days after the date on which the transfer is made and the SUPPLIER undertakes to carry out all actions necessary to implement the assignment aforementioned and comply with all obligations under the PURCHASE ORDERS and inherent to the SERVICES in benefit of the assignee that the COMPANY indicates, which will be responsible for covering his/her full pay.

#### **TWENTY-FIFTH.- Code of Conduct for Business Partners of the COMPANY.**

- 25.1. The COMPANY strives to engage and that its SUPPLIER commits to the highest standards of ethics and compliance, including basic human rights, encouraging fair and equitable treatment of all persons, provision of safe and healthy working conditions, the respect for the environment, the adoption of appropriate management systems, and conducting business in an ethical manner. Without limiting any of the other obligations of the SUPPLIER specified in this instrument, without conflicting with any of the warranties or limit them, obligations or other provisions expressly stated elsewhere in the Purchase Order including, without any limitation, its obligations under Section 6.1 of this legal instrument, the SUPPLIER agrees that he/she

will adhere to the letter and spirit of the Code of Conduct for Business Partners of the COMPANY (the "Code"), in force at the time, which you can obtain a copy on the website [https://www.organon.com/wp-content/uploads/sites/2/2021/05/Code-Of-Conduct\\_v2.pdf](https://www.organon.com/wp-content/uploads/sites/2/2021/05/Code-Of-Conduct_v2.pdf).

The SUPPLIER agrees to provide all documentation reasonably requested by the COMPANY to demonstrate compliance with the Code. If a conflict arises between the obligations under this Section 24.1 and the Code, on the one hand, and any provision of this PURCHASE ORDER, on the other, such other provision of the PURCHASE ORDER shall prevail (but only in the extent of such conflict).

- 25.2 The COMPANY reserves the right, in its sole discretion, to audit the operations, books, and records of the SUPPLIER to ensure compliance with the Code. The COMPANY will send a notice with reasonable advance to carry out such an audit and may conduct the same on its own or through an external auditor of their choice. The SUPPLIER shall acknowledge receipt of the notice from the COMPANY as soon as possible after receiving it and shall confirm the date on which the audit will be conducted within 14 (fourteen) calendar days from the receipt of such notice. The COMPANY or its external auditor may interview employees of the SUPPLIER as part of the audit or in connection therewith. This right to audit will be granted in addition to any other audit rights granted herein.
- 25.3 If an audit identifies a noncompliance from the SUPPLIER regarding the Code, the SUPPLIER will immediately take remedial measures to correct the noncompliance. The COMPANY reserves the right to approve all corrective action. Corrective measures will be implemented by the SUPPLIER at his/her own expense. The COMPANY will endeavor, when possible, to collaborate with the SUPPLIER to solve the problem and establish a corrective measure plan.
- 25.4 Should the SUPPLIER refuse to allow fulfillment of an audit, or does not perform or refuses to take corrective measures, then in addition to any other remedies available to it as set forth herein, by law or in equity, the COMPANY reserves the right to terminate this PURCHASE ORDER if the SUPPLIER fails to remedy such refusal or failure within 90 (ninety) calendar days from thereceipt of the written notice from the COMPANY.

#### **TWENTY-SIXTH.- Supplier Expectations.**

- 26.1 Without limiting any of the other obligations of the SUPPLIER stated herein, and without limiting any warranties or express obligations agreed at any other point of this document or PURCHASE ORDER, including, without limitation, its obligations under Section 6.1 of this legal instrument, the SUPPLIER agrees to adhere to the letter and spirit of the Performance Expectations of the Suppliers of the COMPANY, in force at the time, which a copy can be obtained from the website [https://www.organon.com/wp-content/uploads/sites/2/2021/05/Code-Of-Conduct\\_v2.pdf](https://www.organon.com/wp-content/uploads/sites/2/2021/05/Code-Of-Conduct_v2.pdf). If a conflict happens between the obligations under this Section 26.1 and the Performance Expectations of the Suppliers of the COMPANY, on the one hand, and any provision of this PURCHASE ORDER, on the other, such other provision of this PURCHASE ORDER shall prevail (but only to the extent of such conflict).

#### **TWENTY-SEVENTH.- Settlement of Disputes, Jurisdiction, and Competence.**

27.1. The parties expressly submit to the jurisdiction of the federal courts located in Mexico City, and to the federal laws of Mexico, denying to the legislation, jurisdiction, and competence that may correspond by reason of their present or future address or for any other cause.

27.2 The fact that either party does not make use of the corresponding legal actions, a waiver will not be deemed on the implementation of such actions.

27.3.- The parties expressly waive the application of the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

#### **TWENTY-EIGHTH.- Privacy and Information Security.**

It will be understood that "Personal Information" means any information or set of data or information that identifies or allows to identify, or is used by the COMPANY or on behalf of the COMPANY to identify a person, including but not limited to the employees of the COMPANY. The information that the COMPANY provides in its case to the SUPPLIER must be carefully treated by the latter in strict compliance with the provisions of this clause and the Federal Law on Protection of Personal Data in Possession of Individuals.

The SUPPLIER, during the execution of the PURCHASE ORDERS:

- 28.1. He/She will collect, use, and disclose, on behalf of the COMPANY, the Personal Information applicable in terms of the PURCHASE ORDERS using as appropriate, the privacy notice, respective only in accordance with the instructions of the COMPANY when the law requires disclosure. Should disclosure be required, the SUPPLIER shall immediately notify the COMPANY and will do its best effort to limit the nature and extent of the required disclosure and will only release the minimum amount of personal information necessary to comply with the law.
- 28.2 He/She will collect, use, and disclose the Personal Information applicable, in accordance with all applicable laws, rules, and regulations of privacy, security, and protection of information, including but not limited to those that restrict cross-border transfer of information and all applicable laws, rules, and regulations governing outgoing phone calls, e-mail transmission, or transmission of messages via fax.
- 28.3 He/She will notify people of the purposes for which Personal Information is collected in accordance with applicable laws and the rules of fair practice of information.
- 28.4 He/She will keep the accuracy and completeness of the Personal Information he/she collects, uses, or discloses on behalf of the COMPANY.
- 28.5 He/She will implement all reasonable physical, technical, and administrative security measures that are appropriatedepending on the sensitivity of the information, to protect personal information applicable in terms of the PURCHASE ORDERS against loss, misuse, and unauthorized access, disclosure, alteration or destruction, including but not limited to the implementation and enforcement of policies and procedures of administrative, technical, and physical security and training of



all personnel responsible for the management of Personal Information regarding the requirements set out in this clause.

28.6 He/She will make use of encryption or will utilize equivalent measures in connection with any transfer, communication, or remote access connectivity involving Personal Information interms of the PURCHASE ORDERS as permitted or authorized by means of this instrument.

28.7 He/She shall immediately notify the COMPANY of whichever unauthorized use or disclosure of Personal Information, including without limitation, any security incident involving Personal Information,

including but not limited to, any incident that any SUPPLIER reasonably believes involves unauthorized access to Personal Information or disclosure of it, having besides knowledge of, if the SUPPLIER (or any of its subsidiaries, SUPPLIER'S EMPLOYEES, CONTRACTORS' EMPLOYEES, or representatives) is responsible for the security incident, the SUPPLIER shall immediately take all necessary and appropriate corrective measures, including but not limited to, at the request and discretion of the COMPANY, and at the expense of the SUPPLIER, to notify people whose Personal Information may have been affected.

28.8 He/She will cooperate with the COMPANY to answer any question regarding practices relating to the collection, use, and disclosure of Personal Information, in terms of the PURCHASE ORDERS or with any request for access and correction to the Personal Information in accordance with the applicable law and with the company policies.

28.9 He/She will force any external representative or subcontractor to adhere to the privacy regulations of Personal Information as described in this clause.

28.10 He/She will fulfill the provisions in the Federal Law on Protection of Personal Data Held by Private Parties, in order to ensure confidentiality, integrity and availability of the Personal Information, establishing policies and procedures of administrative, technical, and physical security and training of personnel responsible for the management of Personal Information and personal and/or sensitive data to prevent loss, misuse, or unauthorized access, disclosure, alteration, or destruction.

28.11 Where appropriate, he/she will collect and preserve the Privacy Notice and consent of the people that provide their personal and/or sensitive data in terms of the Act referred to in this clause.

28.12 THE SUPPLIER will allocate any data obtained in connection with the acceptance and implementation of the PURCHASE ORDERS, as well as the databases resulting from the acquisition of information by the SUPPLIER, solely and exclusively for the purpose of each PURCHASE ORDER.

28.13 Upon completion of each of the PURCHASE ORDERS the SUPPLIER will return or destroy, as directed by the COMPANY within the following 60 (sixty) days, all Personal Information received, if any, by the SUPPLIER on behalf of the COMPANY.

The SUPPLIER shall not retain any copy of Personal Information. If the SUPPLIER determines that it is not feasible to return or destroy the Personal Information, the SUPPLIER will provide the COMPANY a notice regarding the conditions that make the return or destruction not feasible. In such case, the SUPPLIER undertakes to assume the incumbent obligations conferred in this TWENTY-FIFTH clause during the whole time he/she retains this information, nevertheless, the validity of each PURCHASE ORDER has been completed for any reason.

#### **TWENTY-NINTH.- Separation of Duties.**

29.1 In the event that any of the obligations of the PURCHASE ORDERS cannot be executed or that is invalidated by any competent court of jurisdiction, the execution and validity of the remaining obligations will not be affected.

#### **THIRTY.- Headings.**

30.1 The headings of the clauses of these terms and conditions are included solely for ease in its reading, but will not affect the interpretation which thereof is made in accordance with the applicable law.

#### **THIRTY-FIRST.- Modification.**

31.1 In the event that the parties wish to modify these terms and conditions in any way, such amendment will have to be carried out by signing of the legal representatives of both parties of a respective amendment agreement.

**FOR ALL THESE REASONS** the parties accept these terms and conditions with the acceptance from the SUPPLIER of the PURCHASE ORDERS submitted by the COMPANY. Likewise, the execution of the PURCHASE ORDERS implies acceptance of its terms, as well as the acceptance of these terms and conditions.