

## **TERMS AND CONDITIONS FOR AUDI MÉXICO, S.A. DE C.V. CONSTRUCTION SERVICES**

**AUDI MÉXICO, S.A. DE C.V.** and the **CONTRACTOR** agree that the **TERMS AND CONDITIONS** set forth below in relation with Construction Services shall apply to joint operation(s) of the **PARTIES**, that are subject to so-called **PURCHASE ORDERS**, which are written documents, transmitted either by electronic, or in case of absence, by physical means, to and by the Real Estate Planning departments of **AUDI MÉXICO** and/or Planning Plant Engineering, or other departments of the contractual **PARTIES** involved. The following **TERMS AND CONDITIONS** shall always prevail and be applicable to all operations of construction services between said parties, even if they are contrary to that agreed upon any other accepted and agreed electronic or physical written document, or to other contracts or specific documents containing terms and conditions, that have been concluded between the **PARTIES** and are related to the **PURCHASE ORDER**.

### **1. DEFINITIONS.**

For the purposes of these **TERMS AND CONDITIONS**, which form an integral part of the **PURCHASE ORDER**, the following words shall have the meanings attributed to them, as follows:

**AUDI MÉXICO:** The legal entity called **AUDI MÉXICO, S.A. DE C.V.**

**AUDI MÉXICO TECHNICAL DEPARTMENT:** Is the department in charge of the entire project in the respective field of expertise, from concept development to final **HANDOVER**. Within **AUDI MÉXICO**, it is called Real Estate Planning and Planning Plant Engineering.

**AUDI GROUP:** Group of affiliated entities, subsidiaries and/or affiliates of **AUDI AG** worldwide.

**CONTRACTOR:** The individual or legal entity who supplies goods and/or construction services, and who is identified as such in the **PURCHASE ORDER**.

**PARTIES:** **AUDI MÉXICO** and the **CONTRACTOR**.

**PURCHASE ORDER:** The document executed electronically (through the systems and/or means indicated by **AUDI MÉXICO** from time to time) or in writing in a physical document, which may state a negotiation or order of goods and/or services (with or without cost) agreed upon with **THE CONTRACTOR**, under the **TERMS AND CONDITIONS** contained in such document and with the **SPECIFICATIONS** and/or modifications contained in the related documentation.

**CONSTRUCTION WORKS LOGBOOKS:** The only documents in which the progress of the **CONSTRUCTION WORKS** will be recorded, as well as the appropriate compliance with the

SPECIFICATIONS and observations in relation to the CONSTRUCTION WORKS undertaken by the PARTIES. The CONSTRUCTION WORKS LOGBOOKS shall be prepared and signed by the SUPERVISOR and by the RESPONSIBLE CONSTRUCTION MANAGER, in addition to AUDI'S planning department; and in case of studies and/or engineering, they must be signed by the RESPONSIBLE CONSTRUCTION MANAGER (DRO), appointed by AUDI MÉXICO.

**ADDITIONAL CONSTRUCTION ITEMS:** The surplus quantities already contractually agreed and listed in the price catalogue negotiated with the purchasing department in the original PURCHASE ORDER of the project. These additional items may account to a maximum of 20% of the total amount of the construction work, taking into consideration the pre-finish or also known as the Plus-Minus of the project.

**EXTRAORDINARY CONSTRUCTION WORK ITEMS:** The quantities or items not included in the original scope, but which are necessary for the correct delivery of the contracted product or service. These extraordinary items must necessarily be negotiated and approved by the purchasing department before their execution, for which purpose the CONTRACTOR must present the unit price card to be technically and commercially confirmed.

**RESPONSIBLE CONSTRUCTION MANAGER:** The person appointed by the CONTRACTOR for representation purposes, responsible for the execution and performance of the CONSTRUCTION WORKS, who must be present at the SITE from the START DATE to the time of completion.

**DOCUMENTATION:** Any document created in addition to the PURCHASE ORDER and these TERMS AND CONDITIONS, whether by physical or electronic means, that may include, but is not limited to the following:

- i. Scope of work
- ii. Specification books (hereinafter "Lastenheft")
- iii. Mexican Laws and Official Standards
- iv. Applicable rules according to expertise (International or corporate)
- v. Specification catalogues
- vi. Specifications
- vii. Drawings, PLANS, designs
- viii. Delivery programs
- ix. Technical approvals
- x. Biddings
- xi. Quotations
- xii. Nomination letters
- xiii. Negotiation protocols
- xiv. Marketing agreements
- xv. RACI Matrix

- xvi. Requirements established in the supplier portal published in [www.vwgroupsupply.com](http://www.vwgroupsupply.com), including that related to the registration on this platform or others of the AUDI GROUP as well as the use thereof, insofar as it does not oppose the provisions of the PURCHASE ORDER and any additional annexes that AUDI MÉXICO or VOLKSWAGEN DE MÉXICO may determine.
- xvii. Requirements for the quotation of suppliers via Electronic Supplier Link (ESL) (when applicable to the procurement process)
- xviii. Any additional Annexes determined by AUDI MÉXICO or VOLKSWAGEN DE MÉXICO, particularly: [http://www.vwgroupsupply.com/one-kbp/pub/es/kbp\\_public/information/procurement\\_conditions\\_new/AUDI\\_ag.html](http://www.vwgroupsupply.com/one-kbp/pub/es/kbp_public/information/procurement_conditions_new/AUDI_ag.html) and <http://ldb1-vwm.vw.com.mx/> and
- xix. In general, any other information, digital or printed, received by the CONTRACTOR or agreed upon by the affected departments of both PARTIES, for purposes of the negotiation or operation of the PURCHASE ORDER, prior written approval of the Legal Department of AUDI MÉXICO in any case.

**CONSTRUCTION DOCUMENTS:** As a whole, they represent the calculations, computer programs and/or software, PLANS, TECHNICAL PROPOSAL, manuals, prices, models and other documents prepared by the CONTRACTOR in accordance with the PURCHASE ORDER and the SPECIFICATIONS among which are mentioned, but not limited to: Lastenheft, Contractor Safety Manual, Environmental Manuals and Conditions, HLS Procedures and the requirements of AUDI MÉXICO.

**HANDOVER** Is the act in which the CONTRACTOR shall deliver the finished construction work(s) to AUDI MÉXICO in accordance with the PURCHASE ORDER, by means of a document called construction work HANDOVER protocol.

**CONSTRUCTION EQUIPMENT:** It includes labour, as well as all the devices, machinery, vehicles, provisional installations, or other elements required for the execution of the CONSTRUCTION WORKS, not including construction MATERIALS.

**SPECIFICATIONS:** The documents that contain the procedures, guidelines and technical requirements which the CONTRACTOR and must adhere for the execution of the CONSTRUCTION WORKS, according to the PURCHASE ORDER.

**INVOICE:** Document detailing the goods sold or the services rendered and their price, which is delivered as proof of payment made by AUDI MÉXICO, according to the applicable legislation in the jurisdiction of the CONTRACTOR and which allows its tax deduction.

**START DATE:** The date on which the CONTRACTOR undertakes to start the execution of the CONSTRUCTION WORKS, which shall not be later than 5 (five) working DAYS from the issuance date of the PURCHASE ORDER. The beginning will be marked by the Kick-Off meeting, considering that the execution of the construction works will depend on the dimensions and characteristics of the project.

**DAY:** Means one calendar DAY.

**MATERIALS:** Raw MATERIALS and manufactured products that will be used for the execution of the CONSTRUCTION WORKS and which must comply with the quality standards required and authorized by AUDI MÉXICO and the applicable legislation.

**SAMPLES:** All those elements considered as examples or models of the goods and/or services requested to the CONTRACTOR through the PURCHASE ORDER.

**GENERATOR NUMBERS:** The graphic and accounting representations that indicate the MATERIALS quantities and CONSTRUCTION EQUIPMENT used for the execution of the CONSTRUCTION WORKS, which the CONTRACTOR will be collecting to prove and charge for the CONSTRUCTION WORKS progress.

**CONSTRUCTION WORK(S):** The actual work and design (if any) to be performed by the CONTRACTOR in accordance with the PURCHASE ORDER and any VARIATION in its case.

**PLANS:** The graphics elaborated and provided by the CONTRACTOR of the CONSTRUCTION WORKS, as well as any VARIATION of such PLANS.

**PLANS AS BUILT:** The graphics elaborated by the CONTRACTOR at the end of the CONSTRUCTION WORKS, including all the changes authorized by AUDI MÉXICO.

**QUALITY WARRANTY PERIOD:** The period granted by the CONTRACTOR, as established in the PURCHASE ORDER, which shall be counted starting from the HANDOVER based on the construction HANDOVER protocol.

**CONSTRUCTION WORKS PRICE:** The agreed amount specified in the PURCHASE ORDER for the execution of the CONSTRUCTION WORKS, including the repair of any defects, as well as adjustments where appropriate, in accordance with the current TERMS AND CONDITIONS.

**CONSTRUCTION SCHEDULE:** The program scheduled by the PARTIES, which the CONTRACTOR shall follow for the execution of the works.

**TECHNICAL PROPOSAL:** The document of technical nature, prepared by the CONTRACTOR according to the requirements and SPECIFICATIONS (Lastenheft) of AUDI MÉXICO.

**CONSTRUCTION HANDOVER PROTOCOL:** The document that guarantees the completion and delivery of the project to the client and areas involved, with the corresponding signatures.

**SITE:** The place indicated by AUDI MÉXICO on which the CONSTRUCTION WORKS will be executed, located in [\*]; San José Chiapa, Puebla, with a total surface of [\*] m2, as well as any other place specified in the PURCHASE ORDER, which is part of the SITE.

**SUPERVISOR:** The individual or legal entity designated by AUDI MÉXICO to supervise the CONSTRUCTION WORKS to be in accordance with the TERMS AND CONDITIONS.

**COMPLETION TIME:** The time within which the CONTRACTOR must have concluded the CONSTRUCTION WORKS to the satisfaction of AUDI MÉXICO and which shall be established in the PURCHASE ORDER, counted from the START DATE.

**TERMS AND CONDITIONS:** The current rules of a general nature, binding between the PARTIES, and which form an integral part of the PURCHASE ORDER.

**VARIATION:** A change to the SPECIFICATIONS and/or PLANS and/or CONSTRUCTION DOCUMENTS requested in writing by AUDI MÉXICO or at the proposal of the CONTRACTOR in its case.

## **2. CONTRACTOR'S STATEMENTS REGARDING THE BIDDING OFFER.**

By submitting the bidding offer, the CONTRACTOR agrees that it:

- i. Is familiar with these TERMS AND CONDITIONS, as well as with the chart of the bidding services of the Additional Technical Conditions of Contract (TACC), including all its Annexes, and complies with the provision of the contractual services in full satisfaction thereof;
- ii. Can comply with all the offered services in due time and that all services are included in the bidding documents, as completely and unambiguously as necessary for the submission of an error-free bidding offer without having informed AUDI MÉXICO of any ambiguity and/or inaccuracy that may arise;
- iii. Has revised and read completely the bidding offer and that it is neither incomplete nor ambiguous and, that all questions can be clarified with the author of the plan, and accepts it as legally binding, submitting the offer as the basis for the PURCHASE ORDER. Therefore, the CONTRACTOR may not claim ambiguities in the bidding documents after submitting its bid;

- iv. Can comply with its legal and fiscal obligations, such as the payment of taxes and social security contributions, as well as those of the Institute of the National Workers' Housing Fund (Instituto del Fondo Nacional de la Vivienda para los Trabajadores (INFONAVIT)), and maintain the corresponding certificates to demonstrate its due compliance with all these obligations;
- v. Is familiar with the local conditions and has visited the site and, in particular, has established the location of public supply and waste disposal lines and similar;
- vi. Ensures contractually, in an appropriate manner, that the subcontractors commissioned by the CONTRACTOR also accept the above-mentioned obligations as binding;
- vii. Ensures that, in the case of a consortium of contractors, an authorized representative has been appointed, who shall have the faculties to receive payments on behalf of the consortium of contractors; the members of the consortium of contractors shall be jointly and severally liable for the execution of the PURCHASE ORDER and shall be directly obligated to perform the contractual services; and
- viii. Ensures that no price agreements have been celebrated to date.

**2.1** In the event of breach of the obligations described above, the CONTRACTOR shall indemnify AUDI MÉXICO for all claims filed against it and for all damages suffered by it in this regard. In particular, in the event of breach of the aforementioned obligations by the CONTRACTOR or a subcontractor commissioned by him, the CONTRACTOR will take measures in coordination with AUDI MÉXICO so that the effects of the breach of the obligation are as low as possible. Furthermore, in case of breach of obligations arising from the declarations of the CONTRACTOR, AUDI MÉXICO shall be entitled to an extraordinary termination of the PURCHASE ORDER.

### **3. BIDDING OFFER PROCEDURE.**

The bidding is carried out by the purchasing department of VOLKSWAGEN DE MÉXICO, S.A. DE C.V., either in its name and on its behalf or in the name and on behalf of AUDI MÉXICO, specifying that the bidding offer of the CONTRACTOR will apply exclusively to AUDI MÉXICO.

#### **3.1 The CONTRACTOR shall observe the following points when preparing the bidding offer:**

- i. The bidding offer must comply with the Federal Civil Code and other applicable documents.

- ii. By submitting the bidding offer, the CONTRACTOR acknowledges and accepts its conformity with these TERMS AND CONDITIONS and the General Purchase Conditions of AUDI MÉXICO, in their current version. This shall also apply to any additional or supplementary bids and to changes in orders.
- iii. All the bidding documents and their copies may not be transmitted to third PARTIES or published without the prior written consent of AUDI MÉXICO. The same applies to the information of the CONTRACTOR, its subcontractors and suppliers, such as SPECIFICATIONS, PLANS, photos, drawings, among others.
- iv. The bidding offer will be binding; however, the request in the bidding process shall always prevail over the offer made by the CONTRACTOR.
- v. The bidding offer shall be submitted through the following means:
  - In the case of bids: through the commercial platform [www.vwgroupsupply.com](http://www.vwgroupsupply.com) where the CONTRACTOR must log-in on the platform no later than the deadline established for each bid.
  - In the case of a bidding offer by e-mail: the bidding offer must be signed and sent to the address indicated to the person requesting the offer.
- vi. The bidding documents must be submitted in the format in which they were delivered by AUDI MÉXICO (XLS, DOC, XML and PDF according to the type of document to be processed), otherwise the CONTRACTOR is not technically approved, and the bidding offer will automatically be discarded without any responsibility for AUDI MÉXICO.
- vii. The bidding offer must indicate the name of the company, the registered office and address, the authorized contact person, the cover page of the Federal Taxpayer Registry (tax identification code), the registration number and the bank account number, as well as the articles of incorporation and amendments to its bylaws and notarial deeds from which the power of attorney of its legal representatives derive.
- viii. AUDI MÉXICO reserves the right to award partial services.
- ix. The CONTRACTOR undertakes, through the submission of the bid, that in case of being awarded the PURCHASE ORDER, to:
  - Carry out the CONSTRUCTION WORKS in the TERMS AND CONDITIONS as requested in the Lastenheft, and those contained in the bidding offer in each case;
  - Appoint a RESPONSIBLE CONSTRUCTION MANAGER in accordance with the respective construction regulations. The CONTRACTOR is obliged to provide a Spanish-speaking RESPONSIBLE CONSTRUCTION MANAGER who understands English and/or German and who must always be available to AUDI MÉXICO; the CONTRACTOR shall communicate the relevant information of the

project to all PARTIES involved through the software: *think project!* (internal designation VOR for Virtual Object Space)\*.

\*In case THE CONTRACTOR has any questions **about the VOR System (not general questions about the project)**, the **CONTRACTOR should contact the responsible planner under the following e-mail address: vor-support@audi.mx.**

To register in the system, the CONTRACTOR agrees to contact the **company *think project!* GmbH** immediately after awarding the PURCHASE ORDER under the following link: <http://www.thinkproject.com/de/>

#### **4. THE BIDDING OFFER.**

##### **4.1 General information**

The CONSTRUCTION WORKS must be carried out by the CONTRACTOR or a consortium of contractors, having all the legal requirements to celebrate contracts and carry out construction work on a set date and subject to the following conditions and documents. Regarding the bid:

- The bidding offer is free and non-binding for AUDI MÉXICO.
- The CONTRACTOR knows and understands all documents included and/or mentioned in the Lastenheft; those delivered subsequently shall be intended to provide additional explanations to the descriptions originally delivered and shall be considered as supplements to guarantee the necessary functional aspects of construction.
- By submitting its bidding offer, the CONTRACTOR accepts that he shall be bound by it for 3 (three) months starting from the submission date of the Lastenheft and the bid on the commercial platform or from the postal notification of the bid to AUDI MÉXICO.
- The CONTRACTOR is obligated to comply with all Mexican regulations, as well as those indicated in the Lastenheft, with the Lastenheft taking precedence.
- The bidding offer will be made exclusively based on the bid of AUDI MÉXICO and the corresponding Lastenheft. The CONTRACTOR must respect the description of the CONSTRUCTION WORKS and the wording of the bid. In case of VARIATIONS, the CONTRACTOR shall submit an additional explanatory letter to the bidding offer where such VARIATIONS are expressly specified and shall be clarified at the latest during the technical approval.
- If the CONTRACTOR, during the preparation of the bidding offer, finds that the scope of the bid cannot be fulfilled, he shall clearly indicate so. All questions must be clarified with AUDI MÉXICO TECHNICAL DEPARTMENT before submitting the



bidding offer, and no notes or exclusions that the CONTRACTOR indicates in its bidding offer shall be applicable; for this purpose, a clarifying meeting on the project shall be held, in addition to a SITE visit with all CONTRACTOR companies, before submitting their bidding offer.

- By submitting the bidding offer, the CONTRACTOR declares that it was possible to determine the prices without any doubt based on the bidding documents, and that he has been informed about the local conditions and the feasibility of the services, particularly with respect to the technical, programming, logistical, operational, industrial safety and legal aspects of the proceeding of the CONSTRUCTION WORKS. The bidding offer shall be based on the Lastenheft, as well as all PLANS, other documents and execution instructions that have been made available to the CONTRACTOR for the purpose of preparing and monitoring the bidding offer.
- Additional CONSTRUCTION WORKS and/or services resulting from the lack of knowledge of the information contained in the bidding offer will not be recognized.
- If the bidding offer is submitted by a consortium of contractors, the name of the main contractor and the names of all participants must be indicated in the bidding offer. The bidding offer shall be signed by all members of the consortium of contractors, and all shall be jointly and severally liable for the correct and complete execution of the corresponding PURCHASE ORDER. The main CONTRACTOR shall be considered authorized before AUDI MÉXICO to represent the consortium and each of its members.
- The formation of consortiums of contractors after the submission of the bidding offer is only allowed with the prior written consent of AUDI MÉXICO. This does not constitute a justifiable reason to delay the works and the HANDOVER of the CONSTRUCTION WORKS beyond the COMPLETION TIME, indicated in the PURCHASE ORDER.
- The services offered will be set at unit prices.
- For the final net amount, the final gross amount will be included, and the value added tax, if any, or any other applicable tax, must be indicated separately.
- AUDI MÉXICO reserves the right to designate in writing the supplier(s) for the supply of MATERIALS; only in this case is it AUDI MÉXICO's responsibility to determine their suitability.
- MATERIALS must belong to the brands authorized by AUDI MÉXICO and must comply with the quality standards issued by the Mexican authorities, contemplated in applicable Mexican Official Standards (NOMs) and/or endorsed or approved by industrial associations. Likewise, the CONTRACTOR shall be responsible for the

volumes and/or quantity of the MATERIALS necessary for the execution of the CONSTRUCTION WORKS, guaranteeing that their quality is adequate for such execution. If the MATERIALS do not comply with the foregoing, the CONTRACTOR shall, at its own risk and cost, rectify the non-fulfillment and ensure that the MATERIALS are replaced and comply with the TERMS AND CONDITIONS established. The foregoing shall not be understood as an extension of the COMPLETION TIME established between the PARTIES in any case.

- Prices must include all costs and expenses related to the CONSTRUCTION WORKS, including those for obtaining all necessary permits related to the above.
- The unit prices are fixed prices during the COMPLETION TIME until the total acceptance of the CONSTRUCTION WORKS.

#### **4.2 Optional conditions**

If optional terms are agreed upon in the course of the negotiations, consisting either of (i) an extension of the COMPLETION TIME or (ii) an option to update the CONSTRUCTION WORKS PRICE, the following provisions must be set out in the relevant PURCHASE ORDER:

- i) Extension of the COMPLETION TIME:

AUDI MÉXICO reserves the right to extend the COMPLETION TIME by [\*], subject to the same conditions and prices for a period that will precisely expire on [DD.MM.YYYY], upon express written request received from the CONTRACTOR. In such case, only a written declaration by AUDI MÉXICO is required, granting the CONTRACTOR such extension of the COMPLETION TIME or, in the absence thereof, in the case of AUDI MÉXICO, that it has instructed VOLKSWAGEN DE MÉXICO to exercise such right, in its name and representation.

- ii) Update of the CONSTRUCTION WORKS PRICE:

AUDI MÉXICO reserves the right to negotiate the CONSTRUCTION WORKS PRICES offered by the CONTRACTOR, to choose a target price or request a percentage discount, establishing a date and time limit for the presentation of the new price.

The established CONSTRUCTION WORKS PRICES must be agreed upon prior to the above-mentioned date. To exercise such right, only a written statement from AUDI MÉXICO to the CONTRACTOR is required, explaining that AUDI MÉXICO hereby makes use of its optional right to update prices; however, AUDI MÉXICO shall not be obliged to exercise its optional right to update prices.

#### **4.3 Alternative offers**

- The submission of alternative and subsidiary offers, as well as special offers, are permitted in connection with the submission of the main offer and shall be explained in an explanatory brief in each case.
- If the CONTRACTOR considers it appropriate, he may propose VARIATIONS to the design, equipment, accessories, calculation or other details of the CONSTRUCTION WORKS as appropriate, with respect to the bidding or project planning documents, always in compliance with the brands authorized by AUDI MÉXICO and all applicable regulations. The VARIATIONS to be proposed must always maintain the purpose established by AUDI MÉXICO, the function of the individual part modified in the project, equipment or installation, as well as the architectural effect, as appropriate. Deviations from the description of the CONSTRUCTION WORKS must be described in detail and in full.
- The CONTRACTOR shall document, justify and present the proposed VARIATIONS (before performing them) to the planner responsible for the project in the corresponding AUDI MÉXICO TECHNICAL DEPARTMENT, in addition to the DRO in Civil Works and/or structural projects or as applicable, so that they are technically reviewed and validated, without, in principle, implying their tacit approval to be considered in the project, therefore, these proposals shall not be shared with the other CONTRACTORS participating in the bid, until they are approved.
- In case the proposals of the CONTRACTOR are validated by the of AUDI MÉXICO TECHNICAL DEPARTMENT, in order to be considered as accepted, they must receive the approval of the Manager of the corresponding technical department. In this case, it will be considered as a change in the scope of the Lastenheft and the bidding process shall be restarted, informing of the new Lastenheft to the CONTRACTORS participating in the bidding, taking into account the time to deliver their bids and the deadline for the execution of the project.

## **5. ACCEPTANCE OF THE PURCHASE ORDER**

If AUDI MÉXICO accepts the bidding offer, the CONTRACTOR shall confirm its bid through the electronic systems designated by AUDI MÉXICO by sending the PURCHASE ORDER signed at the bottom or by any of the following:

**5.1** The CONSTRUCTOR has a period of 3 (three) business DAYS to notify any dissatisfaction, and if no written notice is received, it shall be understood that the CONSTRUCTOR has accepted all the conditions stipulated in the PURCHASE ORDER and these TERMS AND CONDITIONS.

**5.2** If the advance payment by AUDI MÉXICO in favor of the CONTRACTOR is not returned within 72 (seventy-two) hours after it is made, it shall be understood as the tacit acceptance to the PURCHASE ORDER and the TERMS AND CONDITIONS.

**5.3** The commencement of the CONSTRUCTION WORKS by the CONTRACTOR shall be understood as the tacit acceptance of the PURCHASE ORDER and the TERMS AND CONDITIONS.

**5.4** Once the bid has been accepted, AUDI MÉXICO shall issue the corresponding PURCHASE ORDER, which will be legally binding and obligatory for both PARTIES confirmed by the CONTRACTOR.

**5.5** In the execution of the CONSTRUCTION WORKS, the CONTRACTOR is obliged to adhere to the latest state of science and technology, the base of profitability, savings and functionality, being responsible for the application of all rules and regulations in force as set forth but not limited to the Mexican Official Standards (NOMs), Construction Regulations for the Distrito Federal and its Complementary Technical Standards, the N.F.P.A. regarding fire protection, NEC regarding electrical installations, accident prevention manuals, IMC, IPC, ASME, ASHRAE, and the execution of construction work and assembly, if applicable, in the understanding that those indicated in the Lastenheft prevail.

**5.6** The CONTRACTOR declares that it is its free will to bind itself and to accept these TERMS AND CONDITIONS, acknowledging that it had previous knowledge of them, of the CONSTRUCTION WORKS documents and the documentation, accepting that the provisions contained therein shall be part of the PURCHASE ORDER, and that in the event of deviating provisions between the PURCHASE ORDER and the TERMS AND CONDITIONS, those established in the TERMS AND CONDITIONS shall prevail.

**5.7** The PURCHASE ORDER only creates obligations and rights between the PARTIES, in case the CONTRACTOR does not have prior written authorization from AUDI MÉXICO, it may not transfer all or part of the obligations and/or rights it acquires derived from the PURCHASE ORDER, nor rights or obligations acquired from third PARTIES, originated through it, nor subcontract third PARTIES for its execution.

**5.8** Likewise, the CONTRACTOR states that its own conditions of sale or supply or any other TERMS AND CONDITIONS are not applicable, except for agreements expressly granted in writing between the PARTIES, either through the Purchasing Department of AUDI MÉXICO and/or other documents granted by legally authorized representatives of the PARTIES.

## **6. TECHNICAL DOCUMENTS BINDING FOR THE PURCHASE ORDER**

- I. The official language of the PURCHASE ORDER shall be Spanish, followed by English as an alternative.
- II. Technical chronological bases and regulations for the offer and, later, the PURCHASE ORDER, depending on the specialty and what will be delivered or

stated by the technical departments at the beginning of the bidding and/or at the latest in the technical approval, includes, without limitation, the following:

- Lastenheft and its corresponding Annexes or bids of AUDI MÉXICO;
- Any other correspondence prior to the PURCHASE ORDER, provided that AUDI MÉXICO has expressly consented in writing to its contents;
- The table of services or catalogue for the bidding with the additional technical conditions, including all Annexes;
- All applicable International Technical SPECIFICATIONS (ISO) and Mexican Official Standards (NOMs);
- General TERMS AND CONDITIONS of Purchase of AUDI MÉXICO, in the currently valid version;
- Safety requirements for external companies of AUDI MÉXICO, in the currently valid version;
- Applicable environmental regulations;
- Lastenheft Requested Tour Attendance Lists;
- Technical approval protocol;
- Technical bulletins of clarifications and/or minutes of clarifications;
- The CONTRACTOR's bidding offer; and
- Minutes of the negotiations.

In the event of contradictions between the PURCHASE ORDER and the documents indicated, the above sequence shall apply, unless by legal provision one should prevail over the other. In the event that any of the foregoing implies different degrees of compliance, the one that implies a higher degree of compliance shall be applicable, at the expense of the CONTRACTOR.

- III. The PURCHASE ORDER and any additions or modifications must be in writing and must expressly state the consent of the PARTIES involved.

## **7. DOCUMENTS.**

The PURCHASE ORDER and the construction work documentation contain all the agreements between the PARTIES with the technical approval notes, leaving without effect and cancelling of all the previous agreements, reports, negotiations, correspondence, commitments and communications, whether oral or written, with the technical documentation prevailing.

**7.1** Since the CONTRACTOR, upon acceptance of the PURCHASE ORDER, accepted and validated the SPECIFICATIONS, PLANS and CONSTRUCTION WORKS documents, it hereby acknowledges that AUDI MÉXICO shall not be responsible for any error, inaccuracy or omission of any kind in that regard.

**7.2** The CONTRACTOR declares to have reviewed in detail the PLANS, SPECIFICATIONS and CONSTRUCTION WORKS documents, so any error, omission, ambiguity,

inconsistency, inadequacy or other defect shall be corrected at the CONTRACTOR's expense and, in any case, AUDI MÉXICO shall not be responsible for any error, inaccuracy or omission of any kind in the PLANS and SPECIFICATIONS. Any data or information received by the CONTRACTOR from AUDI MÉXICO, the SUPERVISOR or a third party, shall not release the CONTRACTOR from the responsibility in the execution and performance of the CONSTRUCTION WORKS.

**7.3** The CONTRACTOR accepts that it shall make the workshop drawings that are necessary for the development of the CONSTRUCTION WORKS, following the drawing manuals, and shall provide the SUPERVISOR with copies of the PLANS or drawings developed for review and approval. The workshop drawings will also become part of the CONSTRUCTION WORKS documents, so they will be updated during the HANDOVER process.

**7.4** AUDI MÉXICO and the SUPERVISOR shall have the power to review the CONSTRUCTION WORKS documents at any time, without this implying any type of responsibility. AUDI MÉXICO may notify the CONTRACTOR in writing that any CONSTRUCTION WORKS document does not comply with the PURCHASE ORDER. In this case, the CONTRACTOR shall rectify and forward the CONSTRUCTION WORKS documents to AUDI MÉXICO.

**7.5** Any approval or consent in this way or any revision under this section or otherwise shall not release the CONTRACTOR from any obligation or responsibility with respect to the CONSTRUCTION WORKS.

## **8. PERMITS AND LICENCES.**

The CONTRACTOR, as a professional in the field, knows and undertakes to obtain in full compliance with Mexican Laws, Regulations and Official Standards in force and applicable, Social Security Law (SATIC or SIROC), all permits, licenses and authorizations issued by the competent Federal, State and Municipal authorities required for the rendering of its services and/or execution of the CONSTRUCTION WORKS.

The CONTRACTOR declares that the permits, licenses and authorizations referred to above are accurate, complete and those necessary to execute the CONSTRUCTION WORKS, releasing AUDI MÉXICO from any responsibility regarding error, inaccuracy or omission of any kind. It shall be the obligation of the CONTRACTOR to abide by the provisions of the permits, licenses and authorizations granted by the corresponding authorities for the correct execution of the CONSTRUCTION WORKS, releasing AUDI MÉXICO from any liability, whether civil, labor, criminal or any other, whether for the omission or non-compliance thereof, as well as from the imposition of any fine or penalty related to such permits or licenses.

The CONTRACTOR is obligated to deliver all the documents and information necessary to process the necessary documents required for the completion of the CONSTRUCTION WORKS.

## **9. MATERIALS**

The CONTRACTOR is solely responsible for supplying the MATERIALS for the proper execution of the CONSTRUCTION WORKS, in accordance with the PURCHASE ORDER and these TERMS AND CONDITIONS. The CONTRACTOR may not demand a higher price under any circumstances, under the assumption of an increase in the cost of the equipment, since it recognizes that the CONSTRUCTION WORKS PRICE includes the total of the equipment necessary for the execution of the CONSTRUCTION WORKS.

**9.1** The MATERIALS must fulfill the SPECIFICATIONS and the TECHNICAL PROPOSAL, fulfilling the quality standards issued by the Mexican authorities, applicable Mexican Official Standards (NOMs) and/or industry associations. Likewise, the CONTRACTOR shall be responsible for the quality of the MATERIALS, guaranteeing that their quality is adequate for the execution of the CONSTRUCTION WORKS. If the MATERIALS do not comply with the foregoing, the CONTRACTOR shall, at its own risk and cost, remedy the default and ensure that the MATERIALS are replaced and comply with the TERMS AND CONDITIONS of the contract. The foregoing shall in no case be understood as an extension of the COMPLETION TIME.

**9.2** The CONTRACTOR shall require prior written authorization of AUDI MÉXICO for the substitution of MATERIALS, and the PARTIES shall adjust the CONSTRUCTION WORKS PRICE in writing.

**9.3** The PARTIES agree that any taxes regarding the MATERIALS are included in the CONSTRUCTION WORKS PRICE.

**9.4** The CONTRACTOR confirms that the delivery and supply times of the MATERIALS shall not affect the COMPLETION TIME.

**9.5** AUDI MÉXICO reserves the right to designate in writing the supplier(s) for the supply of MATERIALS; only in this case will it be AUDI MÉXICO's responsibility to ensure their quality and suitability.

## **10. SUPPLEMENTS AND QUANTITY INCREASES.**

- I. All discounts agreed in the main offer, including quantity discounts, shall also apply to all quantity increases, ancillary work and hourly work.

- II. All discounts granted in the main offer do not alter the quantities, qualities and SPECIFICATIONS required in the Lastenheft.
- III. Supplementary bids shall be calculated according to the terms of the main bidding offer and shall be broken down in detail into production costs (in particular by hours, MATERIALS, equipment, subcontractors, surcharges, profits and indirect costs, etc.) as set out in unit price lists (TPU), to be reviewed and authorized as volumetrics and yields by the technical department of AUDI MÉXICO and to be later economically approved by the purchasing department.
- IV. AUDI MÉXICO and the CONTRACTOR agree that in case of increases or reductions not exceeding 20% (twenty percent) of the original purchase quantity, the PARTIES shall not make any type of claim or revision of the contracted unit prices or of the final agreed price. In case the reduction is between 21% and 50%, the CONTRACTOR shall be entitled to 5% of the total amount not executed.
- V. If additional CONSTRUCTION WORKS items are required by AUDI MÉXICO, the CONTRACTOR shall respect the prices already negotiated in the PURCHASE ORDER, in the understanding that these concepts were already negotiated and are part of the original catalogue and are only modifications to the contracted quantity. The CONTRACTOR must be expressly authorized in writing by AUDI MÉXICO before adding additional CONSTRUCTION WORKS items. No payments will be made for additional CONSTRUCTION WORKS items, if not expressly authorized by AUDI MÉXICO.
- VI. If extraordinary CONSTRUCTION WORKS items (items NOT considered or negotiated in the original PURCHASE ORDER) are requested by AUDI MÉXICO, the CONTRACTOR agrees NOT to add any of these extraordinary CONSTRUCTION WORKS items, until there is a negotiation of them in quantity and price, in which the Purchasing department grants its express authorization for its addition, by means of a UNIT PRICE CARD (TPU), prior approval of the CONTRACTOR and the AUDI MÉXICO TECHNICAL DEPARTMENT, on the yields and quantities of the same. The unit price cards shall contain: the vouchers of the direct cost of the MATERIALS plus its indirect costs and utilities. The bids for these extraordinary CONSTRUCTION WORKS items shall be subdivided into the partial services of the manufacturing costs and shall be presented using the calculation rates/charges based on the negotiation protocol of the original PURCHASE ORDER. No payments will be made for extraordinary CONSTRUCTION WORKS items, if not authorized by AUDI MÉXICO.



## **11. CONSTRUCTION WORKS PRICE.**

The CONSTRUCTION WORKS PRICE is the one indicated in the PURCHASE ORDER, which both PARTIES accept as the fair and correct one for all the legal effects that may occur, so neither of the PARTIES will have the right to change the CONSTRUCTION WORKS PRICE, unless they agree in writing. The CONTRACTOR acknowledges that it has taken into consideration all the risks within the construction spectrum of the CONSTRUCTION WORKS.

**11.1** The CONSTRUCTION WORKS PRICE includes all those items foreseen in the CONSTRUCTION WORKS documents, as well as all those costs not specifically mentioned in the PURCHASE ORDER but considered necessary for the construction of the CONSTRUCTION WORKS. The prices will be expressed in net values (without VAT or any other applicable tax) in Mexican pesos, American dollars and/or Euros.

**11.2** The CONSTRUCTION WORKS PRICE shall in no case be adjusted due to difficulties or unforeseeable costs derived from the conditions of the PLANS, SPECIFICATIONS, CONSTRUCTION WORKS documents or any other necessary documentation provided by AUDI MÉXICO to the CONTRACTOR for the execution of the CONSTRUCTION WORKS subject to the PURCHASE ORDER.

**11.3** The CONTRACTOR shall cover all costs and charges for special and/or temporary rights of service that may be required, including, if applicable, those for access and stay on the SITE, committing to restore the conditions in which the CONTRACTOR found the areas and services, at no cost to AUDI MÉXICO.

**11.4** The CONTRACTOR shall make, at its own expense and cost, the connections to the water supply, electric cables, telecommunication lines and other internal and/or public installations necessary for the execution and correct operation of the CONSTRUCTION WORKS on the SITE. If the consumption of public services used by the CONTRACTOR is charged by the authorities to AUDI MÉXICO, these costs shall be deducted from the CONSTRUCTION WORKS PRICE. Likewise, the CONTRACTOR agrees to settle the costs of such services and, if applicable, to pay them upon completion of the CONSTRUCTION WORKS.

**11.5** The PARTIES agree that no additional or secondary costs or modifications to the CONSTRUCTION WORKS PRICE shall be accepted under any circumstances unless previously agreed in writing by the PARTIES. In the case of unit prices, the applicable procedure shall be the presentation of unit price cards, supported by an INVOICE for MATERIALS intended to be considered as additional.

**11.6** The CONSTRUCTION WORKS PRICE includes MATERIALS, CONSTRUCTION EQUIPMENT, as well as any ancillary and necessary expenses for the realization, achievement and installation of the CONSTRUCTION WORKS in accordance with the

PURCHASE ORDER, including, without limitation, labor, topographical studies, consumption and supply of electric power (when AUDI MÉXICO does not have a nearby source available), telecommunications, water, water discharges, as well as all direct and indirect expenses and corresponding profits and taxes, particularly those indicated below, unless otherwise specified in the PURCHASE ORDER:

- **Transport costs**

For the delivery and removal of MATERIALS, CONSTRUCTION EQUIPMENT, and tools on the SITE. Deliveries of MATERIALS must be made according to the progress of the CONSTRUCTION WORKS.

- **Storage costs**

For the unloading, storage, preservation and monitoring of MATERIALS, CONSTRUCTION EQUIPMENT and components supplied by the CONTRACTOR, including any necessary temporary storage, among others. AUDI MÉXICO, depending on the magnitude of the project, may assign to the CONTRACTOR a temporary area on the SITE with space to store the minimum necessary MATERIALS, tools, equipment, machinery, etc. The CONTRACTOR shall be responsible for the expenses generated for its conformation and protection (mesh fencing, booths, etc.), in addition to correctly safeguarding what is stored there, guaranteeing compliance with the Health and Safety and DOL (Discipline, Order and Cleanliness) conditions required by the client. The CONTRACTOR is obliged to leave the assigned area clean and safe at the end of the project.

- **Travel expenses**

General expenses such as travel expenses (transportation, lodging and food) and other salary compensations, are always subject to AUDI MÉXICO's travel expense policies.

- **Preparation / supply of PLANS and documents**

Working drawings, workshop drawings, assembly documents for the execution of services, inventory and review documents, application and additional approval documents, project documentation and certificates of conformity.

- **Installations of the CONSTRUCTION WORKS**

Power and water outlets, as well as the sanitation of residual water and the common areas, changing rooms, bathroom facilities, warehouses, etc.

- **Construction equipment and MATERIALS**

Provision and implementation of CONSTRUCTION EQUIPMENT and MATERIALS.

- **Supply of CONSTRUCTION EQUIPMENT**

The delivery and supply of CONSTRUCTION EQUIPMENT, such as ramps, fixed and mobile scaffolding and the like for the required construction and assembly heights. The relocation, dismantling and reconstruction of fixed and mobile scaffolds shall be carried out

according to the instructions of AUDI MÉXICO's SITE management and shall not be paid separately.

- **Management of the CONSTRUCTION WORKS**

Supervision of work, acceptance, testing and similar.

- **Testing**

Commissioning, operation and supervision of the facilities during testing, instruction of operating personnel and correction of defects, if applicable.

- **Cleaning and waste disposal**

AUDI MÉXICO shall be entitled at any time to require the CONTRACTOR to prepare and deliver to AUDI MÉXICO any reports and documentation that accredit any of the concepts set forth.

## **12. SITE of execution of the CONSTRUCTION WORKS**

Conditions for AUDI MÉXICO:

The CONTRACTOR, its personnel and CONSTRUCTION EQUIPMENT will be allowed to access SITE according to the following schedule:

- Monday to Friday from 7:00 AM to 6:00 PM.
- Saturday from 07:00 AM to 2:00 PM.

The CONTRACTOR may only have access to the SITE outside these hours prior written authorization by AUDI MÉXICO, without the foregoing constituting an additional cost, since the CONTRACTOR has the obligation to complete and maintain the CONSTRUCTION WORKS according to the Lastenheft, the program and when the type of the CONSTRUCTION WORKS so requires. The CONTRACTOR is obliged to timely comply with every procedure required by AUDI MÉXICO, for the process of identification and registration of access of personnel to the facilities.

**12.1** The CONTRACTOR accepts and acknowledges that the PLANS, SPECIFICATIONS, CONSTRUCTION WORKS documents, as well as all documentation provided by AUDI MÉXICO are adequate, complete and sufficient for the performance of the CONSTRUCTION WORKS.

**12.2** Unless expressly stated otherwise in the PURCHASE ORDER, the following shall apply:

- a) The CONTRACTOR obtained and examined all the information related to risks, contingencies and other circumstances that may influence or affect the execution and realization of the CONSTRUCTION WORKS;

- b) The CONTRACTOR accepts full responsibility for the difficulties and costs for events that, being unforeseeable, are avoidable for the successful completion of the CONSTRUCTION WORKS;
- c) If necessary, the CONTRACTOR shall establish proper offices on the SITE for the use of AUDI MÉXICO's personnel. Likewise, the CONTRACTOR shall cooperate with the SUPERVISOR, as well as with any third party related to the CONSTRUCTION WORKS.

**12.3** During the execution of the CONSTRUCTION WORKS, the CONTRACTOR shall clean, segregate and remove from the SITE any waste, scrap or temporary CONSTRUCTION WORKS that are no longer required, committing to perform them continuously and with the necessary frequency, in order to guarantee the safety, hygiene and DOL (Discipline, Order and Cleanliness) conditions that allow the execution of the project. In case of not complying with the above, AUDI MÉXICO shall be entitled to withhold any payment to the CONTRACTOR. The CONTRACTOR shall process and maintain in force the permits required for such purpose.

**12.4** Prior to the HANDOVER, the CONTRACTOR shall clean and remove from the SITE all CONSTRUCTION EQUIPMENT, surplus MATERIALS, waste, debris, rubble, tools, scaffolding, scrap metal, temporary CONSTRUCTION WORKS and other implements used during the execution of the CONSTRUCTION WORKS. In the event that the CONTRACTOR does not comply with this obligation, it shall cover AUDI MÉXICO or with the retention payment, the cost of the removal and cleaning works hired with a different person.

**12.5** It shall be the CONTRACTOR's obligation to leave the SITE and the CONSTRUCTION WORKS in clean and safe conditions.

**12.6** All MATERIALS found on the SITE shall be considered property of AUDI MÉXICO, as the case may be, and therefore the CONTRACTOR shall supply in quality and quantities closest to those to be used in the CONSTRUCTION WORKS. The surplus, waste and excess shall be the property of AUDI MÉXICO, as the case may be, and when applicable, shall indicate to the CONTRACTOR where they have to be delivered within the facilities of AUDI MÉXICO for their disposal.

**12.7** The CONTRACTOR is responsible for the safety required to:

- a) Comply with all applicable safety regulations;
- b) Make provisions for the safety of all persons who may be on the SITE, especially staff, agents and customers of AUDI MÉXICO;
- c) Implement safety measures to prevent unauthorized access to the SITE and the CONSTRUCTION WORKS, in order to prevent theft, vandalism or destruction of the CONSTRUCTION WORKS and MATERIALS;

- d) Make reasonable efforts to keep the SITE and CONSTRUCTION WORKS free of unnecessary obstructions in order to avoid harm to others;
- e) To provide, if necessary, wire fencing, lighting, guard and custody of the CONSTRUCTION WORKS until their completion and the HANDOVER;
- f) Provide at their expense any temporary works (including roads, paths, guards and fences) that may be necessary to carry out the CONSTRUCTION WORKS for the use and protection of third PARTIES, as well as the owners and occupants of adjacent lands; and
- g) Comply with Mexican laws and regulations regarding transportation, noise prevention, environmental protection of the SITE and comply with the required formalities.

### **13. PAYMENT AND INVOICING TERMS.**

The PARTIES agree that AUDI MÉXICO may pay the CONTRACTOR a percentage of the total amount of the CONSTRUCTION WORKS PRICE as an advance payment that shall be established in the PURCHASE ORDER of the corresponding negotiation with the Purchase Department, which shall be invoiced once the CONTRACTOR delivers a Bond Policy to AUDI MÉXICO to guarantee the compliance of the CONSTRUCTION WORKS and the proper use of the advance payment or, in the absence thereof, to reimburse the payment of the advance payment; the CONTRACTOR undertakes to maintain the Bond Policy in effect until the DAY on which it has demonstrated the amortization of the advance payment and to maintain the performance bond, in accordance with this section of the TERMS AND CONDITIONS.

**13.1** The PARTIES agree that, in order to cancel the above-mentioned bond, AUDI MÉXICO must issue its written authorization to the Bonding Institution.

**13.2** AUDI MÉXICO will make the payment of the advance payment upon presentation and authorization of the Bond Policy and the INVOICE itself, which must comply with all tax requirements that allow its deductibility according to the dates, procedures and payment schedules that the finance departments of AUDI MÉXICO have for such purpose. The above in no way limits or modifies the START DATE.

**13.3** In the event of an advance payment, AUDI MÉXICO shall make partial payments to the CONTRACTOR, which may be 60% (sixty percent) and no more than 90% (ninety percent) of the total amount of the consideration, for the progress made in accordance with the CONSTRUCTION WORKS execution program. If there is NO advance payment, up to 90% (ninety percent) may be paid partially to the CONTRACTOR for the advances registered in accordance with the CONSTRUCTION SCHEDULE. Such advances shall be recorded in the CONSTRUCTION WORKS LOGBOOKS and the GENERATOR NUMBERS. The CONTRACTOR shall send the corresponding INVOICE with the breakdown of the payment for the advances made to AUDI MÉXICO. The

CONTRACTOR accepts that any payment made by AUDI MÉXICO shall not be construed as total or partial acceptance of the CONSTRUCTION WORKS.

**13.4** THE CONTRACTOR understands that it may not prepare or send its INVOICE until having the written authorization of AUDI MÉXICO. Once the INVOICE is received, AUDI MÉXICO will corroborate that the CONSTRUCTION WORKS LOGBOOKS and the GENERATOR NUMBERS are in accordance with the CONSTRUCTION SCHEDULE for authorizing the corresponding payment.

**13.5** The PARTIES agree that the partial payments shall be amortized in the same proportion in which 30% (thirty percent) of the amount reviewed and authorized as progress of CONSTRUCTION WORKS are released. Amortizations shall be indicated and broken down in the INVOICE. The CONTRACTOR shall accept that at 80% (eighty percent) of progress in the CONSTRUCTION WORKS, the advance payment shall be 100% (one hundred percent) paid.

**13.6** The PARTIES agree that to guarantee compliance with the CONSTRUCTION WORKS, the CONTRACTOR authorizes AUDI MÉXICO to withhold 10% (ten percent) of the amount reviewed and authorized as progress of the CONSTRUCTION WORKS; this amount shall be invoiced, and shall be released after the HANDOVER , according to the payment conditions and against the signing of the protocol of construction HANDOVER .

**13.7** AUDI MÉXICO shall cover the corresponding partial amounts by means of a wire transfer to the bank account that the CONTRACTOR will inform AUDI MÉXICO of in due time and in accordance with the calendars and procedures established by AUDI MÉXICO for the realization of payments; but in all cases, at least 30 DAYS before the due date. The CONTRACTOR is obliged to issue the INVOICE containing all tax requirements in accordance with the applicable and current laws, otherwise AUDI MÉXICO will have the right to withhold payment, and must return the INVOICE and request a new one, in which case the payment date will be modified in accordance with AUDI MÉXICO's policies.

**13.8** The equivalent value of the INVOICE shall be deemed paid if it is transferred to the CONTRACTOR's bank account. The CONTRACTOR guarantees the accuracy of the bank account, with the understanding that the consequences of an erroneous transfer due to the indication of an incorrect account number shall be borne by the CONTRACTOR.

**13.9** The CONTRACTOR's INVOICE and/or other documentation required to make the payment must be physically and/or electronically presented in accordance with the tax legislation of Mexico, at the domicile of AUDI MÉXICO, at the department indicated by any of them, unless another form of presentation is indicated. If agreed with the CONTRACTOR, AUDI MÉXICO shall incorporate the CONTRACTOR into the secure

invoicing system (only applicable to the CONTRACTOR whose fiscal domicile is in Mexico), which may INVOICE the goods and/or services received by the CONTRACTOR. It is understood that AUDI MÉXICO is not obliged to receive articles and/or services or INVOICE that are not covered by the PURCHASE ORDER and/or respective agreement.

- 13.10** The PARTIES agree that once 80% (eighty percent) of the CONSTRUCTION WORKS have been executed, the CONTRACTOR is obliged to submit the *As Built* documents in order to continue with its process.
- 13.11** No payment made by AUDI MÉXICO will be interpreted as an acceptance of the CONSTRUCTION WORKS.
- 13.12** AUDI MÉXICO will own, as appropriate, all or part of the CONSTRUCTION WORKS carried out on the SITE.
- 13.13** The CONTRACTOR accepts that AUDI MÉXICO shall have the power to withhold any payment for default by the CONTRACTOR, as provided in this section of these TERMS AND CONDITIONS.
- 13.14** Upon HANDOVER, the CONTRACTOR shall send AUDI MÉXICO all the technical and legal documentation required to enable AUDI MÉXICO to ensure the completion of the CONSTRUCTION WORKS. The 10% final payment shall be subject to the acceptance and conformity of all documents by AUDI MÉXICO and its receiving departments (request, production and maintenance). A copy of the acceptance by AUDI MÉXICO will be attached to the final INVOICE as confirmation of the HANDOVER.
- 13.15** The CONTRACTOR shall pay taxes and social security fees in accordance with Mexican laws. AUDI MÉXICO shall not be liable for any taxes or social security contributions and/or fines imposed on the CONTRACTOR in accordance with Mexican laws and shall not be liable for any surcharge derived or affected by such taxes or social security contributions and/or their fines. The CONTRACTOR agrees to submit, within a term of no more than 72 (seventy-two) hours, the documentation stating non-debt of the aforementioned concepts when AUDI MÉXICO considers it pertinent and without exception, the proofs of non-debt shall be part of the HANDOVER.
- 13.16** AUDI MÉXICO shall have the power to withhold up to 5% (five percent) of the CONSTRUCTION WORKS PRICE in order to guarantee that the contributions have been paid in a timely and correct manner by the CONTRACTOR to the Mexican Social Security Institute and Union. If this is not the case, the PARTIES agree that this amount may be used to rectify such payments, or if applicable, return them to the CONTRACTOR. The amount withheld shall only be returned to the CONTRACTOR once the CONTRACTOR proves that it has paid and is up to date with the contributions referred to in this paragraph.

Likewise, it shall be considered a justified cause to withhold the payment if AUDI MÉXICO receives the CONSTRUCTION WORKS or services with defects and/or deviations.

- 13.17** AUDI MÉXICO shall notify the CONTRACTOR of the amount of the damage and the need for compensation. Once the amount has been agreed upon with the CONTRACTOR; AUDI MÉXICO may apply it against any outstanding debt in favor of the CONTRACTOR and in charge of AUDI MÉXICO, in accordance with the provisions of article 2185 of the Federal Civil Code and other related provisions. In addition to the damages, the CONTRACTOR shall agree with AUDI MÉXICO any other mechanism to reimburse all expenses incurred by AUDI MÉXICO, until the total payment of all its claims.
- 13.18** The claims and/or rights of the CONTRACTOR against AUDI MÉXICO that may result from the PURCHASE ORDER may not be assigned to third PARTIES without the prior written consent of AUDI MÉXICO.
- 13.19** The PARTIES agree that AUDI MÉXICO is legitimately entitled to refrain from making the payments that may correspond to the CONTRACTOR; in case AUDI MÉXICO is required by order of an administrative and/or judicial authority or by law to withhold such payments and/or to make them available to the corresponding authority.
- 13.20** The CONTRACTOR understands and accepts that AUDI MÉXICO may request financing schemes from third PARTIES to obtain funding for the execution of projects, of which the deliverables of this PURCHASE ORDER may be part. For this purpose, AUDI MÉXICO may be required to provide both, its own information and that of the CONTRACTORS participating in the project.
- 13.21** In this context, and if so requested by AUDI MÉXICO, the CONTRACTOR shall deliver to it and/or to whomever it may indicate, all the information and documentation requested by AUDI MÉXICO and/or the entity it may designate in order to comply with the requirements both to manage the granting of the mentioned financing and to exercise the provisions thereof. The information/documentation to be requested includes, but is not limited to, the delivery of: (i) commercial INVOICE, shipping documents, certificates of origin, letter of confirmation from the CONTRACTOR regarding payments made by AUDI MÉXICO, as well as confirmation of the validity of this PURCHASE ORDER; (ii) letter of commitment to reimburse in case of breach of contract, declaration of anti-corruption practices, etc. Insofar, as the delivery of such documentation is one of the conditions for the granting of the financing and provisions thereof, the CONTRACTOR acknowledges and accepts that the delivery of the information/documentation required may be a condition for the payments confirmed by this PURCHASE ORDER to be made.



**13.22** The CONTRACTOR shall provide AUDI MÉXICO with unrestricted access to its records and documentation related to the cost and/or pricing structures.

#### **14. SUBCONTRACTORS.**

The CONTRACTOR may partially subcontract the execution of the CONSTRUCTION WORKS with the prior written consent of AUDI MÉXICO. For the purposes of the foregoing, the CONTRACTOR shall inform AUDI MÉXICO of the type of activity it wishes to subcontract, the full name of the subcontractor, its fiscal domicile, RFC, data showing its experience in the field, number of workers, engineers, technicians, number of employer registration with the Mexican Social Security Institute, as well as all documentation proving that it is up to date with the payment of the fees and obligations of the employer.

**14.1** AUDI MÉXICO reserves the right to reject any subcontractor, regardless of whether it has been previously authorized, by giving written notice to the CONTRACTOR.

**14.2** The CONTRACTOR shall guarantee AUDI MÉXICO that the subcontracted individual or legal entity is obliged and complies with the specific requirements of the PURCHASE ORDER, including the possible penalties for non-compliance thereof and the contracting of the following policies: i) Civil Liability Insurance with General Coverage, or its local equivalent (broad coverage: injuries and property damage), for an amount not less than \$2'000,000.00 USD (Two Million Dollars 00/100) per event. The coverage shall include Subcontractors Liability; and ii) any other policy that may be necessary to insure persons, assets, machinery, furniture and equipment owned by AUDI MÉXICO located within the SITE.

**14.3** The CONTRACTOR undertakes to enter into the contract or PURCHASE ORDER with the subcontracted company or the individual, as the case may be, in which reference is made to the obligation set forth herein and the others established in the TERMS AND CONDITIONS and the PURCHASE ORDER. Prior to the signing of any contract referring to the partial subcontracting of the CONSTRUCTION WORKS, it shall be the obligation of the CONTRACTOR to send it to AUDI MÉXICO for its knowledge and review, and the latter shall be entitled to make modifications to said contract, which the CONTRACTOR shall be obliged to implement and to include in the document it signs with the subcontractor.

**14.4** The CONTRACTOR represents and warrants that all subcontractors shall be fully qualified and eligible to complete and perform the subcontracted CONSTRUCTION WORKS, including, without limitation, all applicable permits, licenses and approvals.

**14.5** The CONTRACTOR shall be responsible for the acts or omissions of any subcontractors, their agents, employees and/or personnel, as if they were the acts or omissions of the CONTRACTOR. The CONTRACTOR and any subcontractor shall be jointly and severally liable before AUDI MÉXICO with respect to any part of the

CONSTRUCTION WORKS that is subcontracted. AUDI MÉXICO shall have no obligation to pay any subcontractor directly. It is explicitly agreed that any subcontracting not approved in writing by AUDI MÉXICO shall be considered as a breach of the provisions of the PURCHASE ORDER and these TERMS AND CONDITIONS, and therefore the CONTRACTOR shall be liable to a conventional penalty equivalent to 10% (ten percent) of the CONSTRUCTION WORKS PRICE.

## **15. INSURANCE AND BONDS.**

AUDI MÉXICO will not be obliged to contract any insurance related to the construction of the CONSTRUCTION WORKS.

The CONTRACTOR shall, at its own cost and expense, contract and maintain valid and in full effect the following insurance policies and bonds during the time of completion and the quality guarantee period to AUDI MÉXICO and/or as long as the CONTRACTOR has not made the HANDOVER of the work.

### **15.1 INSURANCE:**

- a) Civil Liability Insurance with General Coverage, or its local equivalent (broad coverage: injuries and property damage), for an amount not less than \$2'000,000.00 USD (Two Million Dollars 00/100) per event. The coverage will include the liability of subcontractors.
- b) Any other policy that may be necessary to insure persons, assets, machinery, furniture and equipment owned by AUDI MÉXICO located within the SITE.

### **15.2 BONDS:**

The CONTRACTOR is obliged, at its own cost and expense, to contract and maintain in effect the following Bonds in favor of AUDI MÉXICO:

- a) Bond to guarantee the proper use of the advance payment, equivalent to the amount of the negotiated advance payment;
- b) Performance Bond equivalent to 10% (ten percent) of the total CONSTRUCTION WORKS PRICE; regardless of whether or not an advance payment is requested.
- c) Guarantee and Hidden Defects Bond equivalent to 10% (ten percent) of the CONSTRUCTION WORKS PRICE. It shall be fulfilled by the CONTRACTOR, once the CONSTRUCTION WORKS are concluded in accordance with AUDI MÉXICO, according to the final delivery certificate and the Performance Bond is cancelled.

Once the work has been completed, a request will be made for the cancellation of the bonds marked in subparagraphs (a) and (b) and a request will be made for the Guarantee and Hidden Defects Bond in accordance with subparagraph (c).

The bonds provided for in paragraphs a) and b) of the previous section must be delivered to AUDI MÉXICO within the following 5 (five) DAYS from the date of issue of the PURCHASE ORDER.

The CONTRACTOR agrees to keep the policy indicated in paragraph a) in effect until the DAY on which the advance payment shall be demonstrated. In the event the CONSTRUCTION WORKS are extended beyond the term of COMPLETION TIME with a justified cause and accepted by AUDI MÉXICO, the CONTRACTOR shall renew or extend the validity of the bond policy without generating a cost for AUDI MÉXICO.

The PARTIES agree that during the CONSTRUCTION SCHEDULE, and if VARIATIONS have been requested and accepted, the CONSTRUCTION WORKS PRICE shall be updated to that amount that the CONTRACTOR shall consider for the Bond established in paragraph c) above.

The Guarantee and Hidden Defects Bond shall be delivered at the end of the CONSTRUCTION WORKS, once the bonds mentioned in the preceding paragraph have been cancelled.

**15.3** The CONTRACTOR shall provide AUDI MÉXICO with proof that any required policy is in force and duly paid, sending a copy of such policies to AUDI MÉXICO.

In the event that the CONTRACTOR fails to comply with this obligation, AUDI MÉXICO has the right to withhold, during the term of the CONTRACTOR's default, an amount equivalent to 10% (ten percent) of each and every payment to be made to the CONTRACTOR, which shall be used to guarantee compliance of the obligations derived from the PURCHASE ORDER and from these TERMS AND CONDITIONS.

**15.4** If the CONTRACTOR does not obtain and/or maintain with full force and effect the aforementioned insurance policies and bonds, AUDI MÉXICO shall have the right (but not the obligation) to contract the corresponding policies and such expense shall be discounted from the CONSTRUCTION WORKS PRICE.

**15.5** AUDI MÉXICO reserves the right to suspend the CONSTRUCTION WORKS while the CONTRACTOR regularizes any of its insurance policies and bonds without the CONTRACTOR having a justified cause of delay in the COMPLETION TIME. The conventional penalties indicated in section 2.4 of the TERMS AND CONDITIONS may be applied.

**15.6** The Insurance and Bonds Department of AUDI MÉXICO is authorized to request the CONTRACTOR to submit sufficient documentation to prove the coverage, validity, amount and term of its policies.

**15.7** Whatever the deposit is, it can only be cancelled if AUDI MÉXICO receives the cancellation in writing.

**15.8** The bonds originated by reason of the PURCHASE ORDER may be claimed up to 180 (one hundred and eighty) calendar DAYS after the end of the validity of the PURCHASE ORDER and must contain at least the following statements:

- 1) That AUDI MÉXICO be designated as the sole beneficiary, as the case may be;
- 2) That they are granted in accordance with all the stipulations contained in the PURCHASE ORDER;
- 3) That they can be adjusted to the changes in the PURCHASE ORDER;
- 4) That they will continue in force if a waiting period or extension is granted for the fulfillment of this PURCHASE ORDER (even if these have been authorized extemporaneously); and
- 5) They shall be cancelled when the CONTRACTOR has fulfilled all the obligations that such bonds guarantee.

**15.9** All insurance and/or bonding policies that insure or guarantee the obligations of the PURCHASE ORDER must be issued by a Bonding Institution authorized by the Ministry of Finance and Public Credit (Secretaría de Hacienda y Crédito Público), and must have a long-term international investment grade rate (issuer and/or debt category). All insurances (whatever their nature) and/or Advance and/or Compliance and/or Good Quality bonds must be issued with the text indicated by the Insurance and Bonding Management of AUDI MÉXICO and its authorized agent.

## **16. HIDDEN CONSTRUCTION WORKS**

If part of the CONSTRUCTION WORKS have to be covered or concealed, the CONTRACTOR shall notify AUDI MÉXICO and the SUPERVISOR in writing to participate in the inspection of the same, 48 (forty-eight) hours prior to its coverage or concealment. The notice of inspection shall include the MATERIALS, the contents to be covered or concealed and the time and place of the inspection.

**16.1** The inspection shall be recorded in the CONSTRUCTION WORKS LOGBOOKS and only after it is signed by the SUPERVISOR, the CONTRACTOR may proceed with the covering or concealment. In the event AUDI MÉXICO and the SUPERVISOR do not approve the inspection, the CONTRACTOR shall rectify the CONSTRUCTION WORKS within the term set by AUDI MÉXICO and submit to a new inspection.

**16.2** When AUDI MÉXICO and the SUPERVISOR request a re-inspection regarding CONSTRUCTION WORKS already covered and hidden, the CONTRACTOR shall uncover such CONSTRUCTION WORKS in accordance with the request and recoat or repair that part after the re-inspection. If the re-inspected CONSTRUCTION WORKS are approved by AUDI MÉXICO and the SUPERVISOR, AUDI MÉXICO shall pay for any

expenses incurred and shall grant the corresponding extension of COMPLETION TIME. If the re-inspected CONSTRUCTION WORKS do not approve the reinspection, the CONTRACTOR shall pay all expenses and no extension of the term shall be granted.

**16.3** The PARTIES agree that the quality guarantee period will be the one established in the PURCHASE ORDER, counting from the HANDOVER , which, unless otherwise stated in the Lastenheft, cannot be less than:

- 5 years, in the case of structure and CONSTRUCTION WORKS;
- 2 years, in the case of machinery and equipment;
- 1 year, in the case of defects in labour and MATERIALS.

**16.4** AUDI MÉXICO may, at any time within the quality guarantee period, request in writing to the CONTRACTOR to repair the defects or hidden defects that appear within the quality guarantee period.

**16.5** THE CONTRACTOR is obliged to repair any hidden defects that may arise in the CONSTRUCTION WORKS during the quality guarantee period, as from the HANDOVER of the CONSTRUCTION WORKS, against the signing of the protocol of HANDOVER of CONSTRUCTION WORKS.

**16.6** The CONTRACTOR shall initiate the repairs within a term not exceeding 24 (twenty-four) hours, as of the reception of the request by AUDI MÉXICO, which shall conclude within a term not exceeding 15 (fifteen) DAYS, taking into consideration the nature and complexity of the repairs. In case the period of repairs is longer due to the nature of the defect, this must be agreed in writing between the PARTIES. In the event that the CONTRACTOR does not initiate the repairs within the term established herein, AUDI MÉXICO may contract a third party to repair the hidden defect, in which case, the costs of such repair (which shall be reasonable and based on the market value) shall be reimbursed by the CONTRACTOR to AUDI MÉXICO within a term not exceeding 5 (five) DAYS from the delivery of the corresponding INVOICE to the total cost of the repairs of the hidden defect.

**16.7** If the CONTRACTOR does not comply with the above, AUDI MÉXICO will not be able to enforce the guarantee of hidden defects foreseen in section 10.2.

## **17. GUARANTEES.**

All quality SPECIFICATIONS and other conditions required by AUDI MÉXICO through the PURCHASE ORDER constitute the characteristics that must be guaranteed by the CONTRACTOR. The quality guarantee period will be counted from the HANDOVER, according to the current and applicable legislation, unless a different period has been agreed in writing between the PARTIES. These TERMS AND CONDITIONS shall also apply to deliveries made by the CONTRACTOR as replacement of goods and/or services for

correction of defects, in which case the warranty period shall be deemed to commence upon receipt of the replacements. In the event of rework, the warranty period shall be extended by the time that has elapsed between the removal of the defect and the completion of the rework.

**17.1** Any economic consequence shall be previously agreed between AUDI MÉXICO and the CONTRACTOR. If AUDI MÉXICO claims goods and/or services from the CONTRACTOR that have deviations, defects and/or vices, the amounts demanded from the CONTRACTOR shall include all costs both in labor and MATERIALS, packaging and transportation, etc., that have been used to rectify the claim. The CONTRACTOR may submit the allegations it deems pertinent, within 30 (thirty) DAYS following the receipt of such notice to the CONTRACTOR.

**17.2** It is agreed by the PARTIES that the quality test reports or even the acceptance or reception by AUDI MÉXICO of goods and/or services provided, shall not affect AUDI MÉXICO's right to demand the guarantee granted by the CONTRACTOR.

**17.3** AUDI MÉXICO may establish at any time with the CONTRACTOR specific guarantee agreements, which shall be considered as CONSTRUCTION WORKS documentation related to the PURCHASE ORDER referring specifically to such guarantee agreement.

**17.4** The CONTRACTOR shall be liable before AUDI MÉXICO for the goods and/or service it provides, regardless of whether it has acquired goods from third PARTIES and/or subcontracted them for its preparation and/or execution. Consequently, it shall enter into the contracts or purchase orders with such third PARTIES, establishing the TERMS AND CONDITIONS that guarantee the compliance with the various premises that under this PURCHASE ORDER are required of the CONTRACTOR for the final product or service, particularly with respect to the terms of guarantee and quality.

## **18. SUPERVISOR**

**18.1** AUDI MÉXICO will appoint an individual or legal entity, who will henceforth be called SUPERVISOR and who will be in charge of supervising the correct execution of the CONSTRUCTION WORKS.

**18.2** AUDI MÉXICO reserves the right to replace the SUPERVISOR, making the CONTRACTOR aware of such situation in writing, taking effect on the DAY of notification.

**18.3** It is the SUPERVISOR's responsibility to:

- a) Supervise that the CONSTRUCTION WORKS are executed subject to the CONSTRUCTION WORKS PRICE;
- b) Issue instructions to the CONTRACTOR on the SITE for the correct execution of the CONSTRUCTION WORKS and, if applicable, to the provisions of a VARIATION;

- c) Supervise the execution of the CONSTRUCTION WORKS by the CONTRACTOR in accordance with the PLANS, TECHNICAL PROPOSAL , SPECIFICATIONS, CONSTRUCTION WORKS documents, CONSTRUCTION EQUIPMENT, MATERIALS and CONSTRUCTION SCHEDULE;
- d) Ensure that the CONSTRUCTION WORKS are carried out in accordance with the START DATE and are completed within the COMPLETION TIME;
- e) Be present on the SITE during the execution of the CONSTRUCTION WORKS until the HANDOVER is concluded;
- f) Review and approve the MATERIALS for the execution of the CONSTRUCTION WORKS and verify the quality conditions of such MATERIALS ensuring that the CONTRACTOR follows the installation and testing instructions indicated by the manufacturers of the MATERIALS;
- g) Review the Progress Reports made by the CONTRACTOR;
- h) Elaborate and give the informative signature for the CONSTRUCTION WORKS LOGBOOKS;
- i) Validate that the content of the CONSTRUCTION WORKS LOGBOOKS corresponds to the physical progress of the execution of the CONSTRUCTION WORKS;
- j) Carry out the tests it considers necessary to corroborate that the CONSTRUCTION WORKS are executed in accordance with the provisions of the SPECIFICATIONS;
- k) Issue the necessary opinions to inform the PARTIES about the irregularities and anomalies it detects during the execution of the CONSTRUCTION WORKS;
- l) Participate in the inspection of hidden CONSTRUCTION WORKS prior to their coverage or concealment; and
- m) Any other obligations of SITE supervision.

**18.4** The PARTIES confirm that:

- a) The SUPERVISOR shall in no case grant any authorization with respect to postponing or changing the time of completion and/or increasing the CONSTRUCTION WORKS PRICE; no act of the SUPERVISOR shall increase the obligations of AUDI MÉXICO or release or mitigate the CONTRACTOR from its obligations under the PURCHASE ORDER.

**18.5** Any act of the SUPERVISOR that goes beyond the scope of AUDI MÉXICO's authorization will not be recognized by AUDI MÉXICO and the latter will not assume any responsibility therefrom.

**19. RESPONSIBLE CONSTRUCTION MANAGER.**

The CONTRACTOR shall appoint a RESPONSIBLE CONSTRUCTION MANAGER, who shall be the permanent representative of the CONTRACTOR on the SITE from the START DATE to the time of completion. The AUDI MÉXICO TECHNICAL DEPARTMENT, depending on the magnitude of the construction work, reserves the right to evaluate and authorize the assignment of the same RESPONSIBLE CONSTRUCTION MANAGER for

small projects, or to request the assignment of more than one RESPONSIBLE CONSTRUCTION MANAGER to large projects for different departments thereof.

**19.1** Under no circumstances may the RESPONSIBLE CONSTRUCTION MANAGER do any modifications to the CONSTRUCTION WORKS, since this must be expressly agreed by the PARTIES in writing.

**19.2** The responsibilities of the RESPONSIBLE CONSTRUCTION MANAGER are to:

- a) Execute, coordinate and supervise the CONSTRUCTION WORKS subject to the CONSTRUCTION WORKS PRICE, doing the corresponding accounting and controlling the costs through the revision of INVOICE;
- b) Execute the CONSTRUCTION WORKS in accordance with the PLANS, SPECIFICATIONS, CONSTRUCTION WORKS documents, CONSTRUCTION EQUIPMENT, TECHNICAL PROPOSALS MATERIALS and CONSTRUCTION SCHEDULE;
- c) Ensure that the CONSTRUCTION WORKS are executed on the START DATE and are completed within the time for completion, as well as that the CONSTRUCTION WORKS are executed with all the required permits and licenses granted by the corresponding authorities;
- d) Ensure that the CONSTRUCTION WORKS are executed at all times with the highest standards of quality in the industry, as well as in compliance with Mexican regulations and Official Standards relating to the construction of industrial spaces;
- e) Be present at all times on the SITE from the START DATE until the HANDOVER is concluded;
- f) Carry out regular tours of the CONSTRUCTION WORKS, documenting at all times their development;
- g) Maintain the SITE safe and clean at all times during the execution of the CONSTRUCTION WORKS including removal of any waste, debris, scrap and temporary works that are not required in the moment;
- h) Elaborate the Progress Reports;
- i) Elaborate and sign the CONSTRUCTION WORKS LOGBOOKS;
- j) At the request of AUDI MÉXICO and/or the SUPERVISOR, carry out the necessary tests to corroborate that the CONSTRUCTION WORKS are executed in accordance with the SPECIFICATIONS;
- k) Report to AUDI MÉXICO and the SUPERVISOR any irregularities and anomalies detected during the execution of the CONSTRUCTION WORKS;
- l) Notify AUDI MÉXICO and the SUPERVISOR within 48 (forty-eight) hours in advance of the DAY and time when the inspection of the hidden CONSTRUCTION WORKS will be carried out before covering or hiding them;
- m) Attend any visit, inspection and/or requirement of any authority, having for such effects all the documentation inherent to the execution of the CONSTRUCTION WORKS that may be required by such authority. For this purpose, the



RESPONSIBLE CONSTRUCTION MANAGER shall notify this circumstance to AUDI MÉXICO and the SUPERVISOR;

- n) Validate and sign any document required or requested from the corresponding authorities during the execution of the CONSTRUCTION WORKS until the HANDOVER ;
- o) As any other obligations of SITE management.

**19.3** AUDI MÉXICO has the right to require the CONTRACTOR to replace the RESPONSIBLE CONSTRUCTION MANAGER within the next 5 (five) DAYS after requiring it. The CONTRACTOR shall notify AUDI MÉXICO and the SUPERVISOR if it replaces the RESPONSIBLE CONSTRUCTION MANAGER previously and in writing. The substitution or replacement of the RESPONSIBLE CONSTRUCTION MANAGER shall not affect in any case the compliance with the PURCHASE ORDER nor represent an additional cost to the CONSTRUCTION WORKS PRICE.

**19.4** The CONTRACTOR is obliged to pay a contractual penalty of USD \$300 (Three Hundred Dollars) for each DAY that the RESPONSIBLE CONSTRUCTION MANAGER is not present at the SITE without justified cause.

**19.5** If the RESPONSIBLE CONSTRUCTION MANAGER is temporarily absent from the SITE during the execution of the CONSTRUCTION WORKS due to a justified cause, the CONTRACTOR shall notify AUDI MÉXICO and the SUPERVISOR in writing and immediately, and shall commit to take the necessary measures to ensure the compliance with the PURCHASE ORDER.

## **20. PROGRESS REPORTS.**

The CONTRACTOR, through the RESPONSIBLE CONSTRUCTION MANAGER, shall prepare weekly written reports on the progress of the CONSTRUCTION WORKS from the START DATE to the HANDOVER and notify AUDI MÉXICO and the SUPERVISOR about them. The obligation to prepare and notify about the progress reports of the CONSTRUCTION WORKS by the CONTRACTOR shall remain in effect until the time of completion.

**20.1** Each report shall at least include:

- a) Detailed descriptions of CONSTRUCTION WORKS progress, including each stage of design, construction, erection, and testing operations;
- b) Photographs showing the progress of the CONSTRUCTION WORKS;
- c) Copies of quality guarantee documents, test results and certificates of MATERIALS, as well as information regarding the supplier of the MATERIALS;
- d) Safety statistics, including details of any hazardous incidents or activities, environmental aspects and human resources related to CONSTRUCTION WORKS;

- e) In the event that the physical progress of the CONSTRUCTION WORKS is inconsistent with the CONSTRUCTION SCHEDULE or there are circumstances that could jeopardize the completion of the CONSTRUCTION WORKS, the improvement measures to be adopted to overcome such delays shall be proposed and executed by the CONTRACTOR.

## **21. CONSTRUCTION WORKS LOGBOOKS.**

The PARTIES agree that the CONSTRUCTION WORKS LOGBOOKS will be the only documents that validate the progress of the CONSTRUCTION WORKS according to the CONSTRUCTION SCHEDULE.

**21.1** The CONSTRUCTION WORKS LOGBOOKS are the official means of communication so the decisions, changes and any impact on the times of completion, quality or CONSTRUCTION WORKS PRICE must be documented and authorized therein; any electronic means will be recognized only as informative, but not as instructions.

**21.2** The CONSTRUCTION WORKS LOGBOOKS shall be signed by the SUPERVISOR and the RESPONSIBLE CONSTRUCTION MANAGER and the AUDI MÉXICO TECHNICAL DEPARTMENT and shall be made according to the CONSTRUCTION WORKS execution program and must be accompanied by the Progress Reports established in section 20.

## **22. SUSPENSION OF CONSTRUCTION WORKS**

AUDI MÉXICO may, at any time, partially or totally suspend the CONSTRUCTION WORKS by a written notice to the CONTRACTOR, indicating the date as of which the suspension shall take effect, without the foregoing being considered a breach by AUDI MÉXICO.

**22.1** In the event of partial suspension, it shall be the CONTRACTOR's obligation to protect and safeguard the CONSTRUCTION WORKS and MATERIALS on the SITE against any deterioration, damage, theft or harm. Only when the partial suspension of the CONSTRUCTION WORKS is generated by causes not attributable to the CONTRACTOR, the latter shall be entitled to an extension of the COMPLETION TIME, up to a term equivalent to the time the CONSTRUCTION WORKS were in partial suspension, and the PARTIES agree that such suspension is covered by the CONSTRUCTION WORKS PRICE. Only in this case and for reasons not attributable to the CONTRACTOR, the renewal or extension of the validity of the Bond policy shall be an additional cost and AUDI MÉXICO shall pay for this modification.

**22.2** In case of total suspension of the CONSTRUCTION WORKS, the CONTRACTOR shall immediately deliver all the CONSTRUCTION WORKS executed up to the moment of the notification from AUDI MÉXICO, and the PARTIES shall sign the HANDOVER. In

this case, the CONTRACTOR shall be entitled to the payment of the unpaid balance corresponding to the advances registered and validated in the CONSTRUCTION WORKS LOGBOOKS according to the CONSTRUCTION SCHEDULE. AUDI MÉXICO shall not be obliged to pay any cost, expense or penalty to the CONTRACTOR.

**22.3** The CONTRACTOR cannot unilaterally suspend the CONSTRUCTION WORKS. In the event that the CONTRACTOR suspends the CONSTRUCTION WORKS for reasons beyond AUDI MÉXICO's control:

- It will NOT be entitled to an extension of the COMPLETION TIME;
- It will assume responsibility for late completion in accordance with section 24.5 of these TERMS AND CONDITIONS;
- It will assume all costs generated by this concept; and
- It will cover all damages generated to AUDI MÉXICO and third PARTIES.

### **23. HANDOVER.**

The CONTRACTOR shall notify AUDI MÉXICO in writing when the CONSTRUCTION WORKS are completed in accordance with the provisions of the PURCHASE ORDER. AUDI MÉXICO shall, within the following 5 (five) DAYS as of receipt of the notification, notify the CONTRACTOR of the dates on which the final tests of the CONSTRUCTION WORKS shall be carried out with the participation of the SUPERVISOR and the RESPONSIBLE CONSTRUCTION MANAGER. If applicable, such final tests shall include, without limitation, the stress and/or thrust tests, including:

**23.1** At the beginning of the final tests, the CONTRACTOR is obliged to deliver all the necessary information and documentation regarding the CONSTRUCTION WORKS to AUDI MÉXICO in order to carry out such tests. This includes, but is not limited to: Operation and Maintenance Manuals, Technical Folder with the approved submittals of all the CONSTRUCTION WORKS, As-Built PLANS, HLS Drawings in any other program or technique that may replace it, duly reviewed and validated by the SUPERVISOR, or Punch list, copies of the warranties that the manufacturers offered to the CONTRACTOR to support the warranty that the CONTRACTOR shall offer to AUDI MÉXICO as a whole.

**23.2** If at the time of the final test AUDI MÉXICO and/or the SUPERVISOR have observations regarding the CONSTRUCTION WORKS, the PARTIES shall agree in writing on the term and form in which they are to be rectified by the CONTRACTOR. If the observations are not corrected within the term agreed upon by the CONTRACTOR, the conventional penalty provided in the TERMS AND CONDITIONS shall apply. Once the observations made by AUDI MÉXICO and the SUPERVISOR have been corrected, or if at the time of the final test of the CONSTRUCTION WORKS on the SITE, AUDI MÉXICO and the SUPERVISOR make sure that the CONSTRUCTION WORKS are executed in accordance with everything established in the CONTRACT, the PARTIES, together with the SUPERVISOR and the RESPONSIBLE CONSTRUCTION MANAGER

will set up the corresponding record where the receipt of the completed CONSTRUCTION WORKS will be stated to the full satisfaction of AUDI MÉXICO.

**23.3** AUDI MÉXICO shall give the CONTRACTOR a date of beneficial occupation, which does not serve as delivery, but only as a release of the department so that third PARTIES may also comply with the programs and objectives of the project. From this date on, the CONTRACTOR shall accelerate the final delivery by resolving the list of defects (*Punch list*), delivery of documentation and As-built PLANS, 3D models under HLS rules in any other program or technique that may replace it, among others; and thus proceed to the HANDOVER and start the processes of cancellation of performance bonds and initiation of warranty bonds and hidden defects.

**23.4** AUDI MÉXICO will give the CONTRACTOR a date to start operations, which is not a delivery date, but only the release and startup of an integral equipment or system, so that third PARTIES can also comply with the programs and objectives of the project. From this date on, the CONTRACTOR shall accelerate the final delivery by resolving the list of defects (*Punch list*), delivery of documentation and As-built drawings, 3D models under HLS rules or any other program or technique that may replace it, among others; and thus proceed to the delivery, reception and start the processes of cancellation of performance bonds and initiation of the warranty bonds and hidden defects.

**23.5** The signing of the agreement of the HANDOVER shall not release the CONTRACTOR from any liability incurred due to late completion or to the quality of the CONSTRUCTION WORKS and/or the MATERIALS.

**23.6** AUDI MÉXICO has the right to occupy or dispose of, if considered appropriate, part of the CONSTRUCTION WORKS already completed without this being interpreted as a HANDOVER of the CONSTRUCTION WORKS. The entrance to these areas shall be subject to the prior written authorization of AUDI MÉXICO's personnel.

**23.7** Regarding the agreement of HANDOVER , the following documents will be delivered to AUDI MÉXICO without limitation and as specified in the Lastenheft of the corresponding area, including without limitation:

1. Electrical Diagram Drawings;
2. Gas or electric PLANS and documents or others, validated by the construction verification units;
3. Calculation reports;
4. Data sheets of MATERIALS used;
5. Updated PLANS of the departments involved in the project in 2D and 3D Microstation format (as applicable);
6. Duly paid water and electricity bills as of the date of HANDOVER ;
7. Notification of completion of construction work to the Mexican Institute of Social Security;

8. Notice of completion of CONSTRUCTION WORKS to the corresponding authorities, as well as the document issued by them in this regard;
9. INVOICE for the completion of the CONSTRUCTION WORKS;
10. Any other document necessary or useful for the purposes of the PURCHASE ORDER.

**23.8** It is the CONTRACTOR's obligation, at its own risk and cost, to satisfy all procedures in connection with the completion of the CONSTRUCTION WORKS in accordance with the applicable Mexican laws, including the requirements of the local authorities. These procedures shall include, without limitation, the registration of all necessary documents and formats.

## **24. COMPLETION TIME.**

The CONTRACTOR shall start the CONSTRUCTION WORKS on the START DATE and shall proceed diligently and without delay, completing the CONSTRUCTION WORKS within the COMPLETION TIME.

**24.1** The CONTRACTOR undertakes to execute the CONSTRUCTION WORKS in accordance with the CONSTRUCTION SCHEDULE. The SUPERVISOR and/or AUDI MÉXICO shall supervise the physical progress and the correct execution of the CONSTRUCTION WORKS, recording such supervision in writing in the CONSTRUCTION WORKS LOGBOOKS, which shall be signed by the SUPERVISOR and the RESPONSIBLE CONSTRUCTION MANAGER.

**24.2** If the physical progress of the CONSTRUCTION WORKS is inconsistent with the CONSTRUCTION SCHEDULE, the CONTRACTOR shall propose improvement measures within the DAY following the date of signature of the CONSTRUCTION WORKS LOGBOOKS, to comply with the CONSTRUCTION SCHEDULE. The improvement measures do not release the CONTRACTOR from any responsibility regarding the compliance with the CONSTRUCTION SCHEDULE, the quality of the MATERIALS, the execution of the CONSTRUCTION WORKS or the CONSTRUCTION WORKS PRICE.

**24.3** Adjustments to the CONSTRUCTION SCHEDULE, as well as an extension of the time for completion, shall only be made by prior written agreement between the PARTIES.

**24.4** The CONTRACTOR accepts that in the event that the improvement measures to comply with the CONSTRUCTION SCHEDULE which are considered by AUDI MÉXICO as not sufficient to maintain the CONSTRUCTION WORKS COMPLETION TIME, AUDI MÉXICO may request a third party to carry out the work without this representing an intrusion of the CONSTRUCTION WORKS and the CONTRACTOR will be responsible for making the payment for the work carried out by a third party.

If not paid in accordance with the payment conditions, AUDI MÉXICO may make the payment with the corresponding discount to the CONTRACTOR in the following payment process.

- 24.5** If the CONTRACTOR does not complete the CONSTRUCTION WORKS within the COMPLETION TIME, the CONTRACTOR shall, due to such omission, pay AUDI MÉXICO by way of conventional penalty the amount resulting from applying 0.5% (point five percent) of the CONSTRUCTION WORKS PRICE to each DAY it incurs in delay until reaching a maximum of 10% (ten percent) of the total amount of the CONSTRUCTION WORKS. The above-mentioned contractual penalty does not release the CONTRACTOR from its obligation to terminate the CONSTRUCTION WORKS, as well as from any other obligation or responsibility it may have in accordance with these TERMS AND CONDITIONS.
- 24.6** If, for any reason, the CONTRACTOR is not able to make the HANDOVER in a timely manner, such circumstance shall be notified to AUDI MÉXICO immediately, which may take any of the following options:
- a) Terminate the PURCHASE ORDER: AUDI MÉXICO will only make payments for the goods and/or services provided until the moment the delay is generated or;
  - b) Receive or accept the CONSTRUCTION WORKS extemporaneously;
  - c) Carry out the CONSTRUCTION WORKS through a third party, at the expense of the CONTRACTOR (including the compensation to AUDI MÉXICO of the costs derived from the change of CONTRACTOR).
- 24.7** Acting on any of the above mentioned options shall not void the right of AUDI MÉXICO to charge the CONTRACTOR for the expenses, damages and losses caused by breach.
- 24.8** If AUDI MÉXICO decides to receive the CONSTRUCTION WORKS with a delay by the CONTRACTOR, the CONTRACTOR accepts that AUDI MÉXICO may collect the contractual penalty that would have been agreed upon for the delay in the delivery term, without AUDI MÉXICO having to prove that it suffered damage or harm due to the CONTRACTOR's default. The enforceability of the PURCHASE ORDER and the payment of the contractual penalty shall be optional for AUDI MÉXICO, since it reserves the right to demand, instead of the foregoing, the payment of damages that it may have suffered due to the default of the CONTRACTOR, agreeing subsequently with the CONTRACTOR the amount of the corresponding contractual penalty.

## **25. TERMINATION.**

The PURCHASE ORDER may be terminated by AUDI MÉXICO at any time and immediately without any liability on its behalf and without the need for a prior judicial declaration, only by giving written notice to the CONTRACTOR of its decision in any of the following cases:

- a) In case that the bankruptcy or the dissolution and liquidation, either judicial or extrajudicial, of the CONTRACTOR is required, ordered or approved;
- b) In case of assignment of the PURCHASE ORDER by the CONTRACTOR to a third party, without the authorization of AUDI MÉXICO;
- c) Due to technical and/or commercial incapacity and/or due to fraud, negligence, bad faith of the CONTRACTOR;
- d) When AUDI MÉXICO considers that there is a delay in the partial or total compliance or breach by the CONTRACTOR in the execution and/or delivery of the CONSTRUCTION WORKS;
- e) If the CONTRACTOR and its personnel act in an irregular, deficient, imprudent, negligent and/or irresponsible manner;
- f) In case of unjustified interruptions by the CONTRACTOR or the personnel in charge thereof, or if it does not start the CONSTRUCTION WORKS on the START DATE or suspends the execution thereof for reasons attributable thereto, or if it does not conclude the CONSTRUCTION WORKS on the agreed date;
- g) If the CONTRACTOR abandons the CONSTRUCTION WORKS or omits or refuses to comply with a request from AUDI MÉXICO and/or the SUPERVISOR;
- h) For any non-compliance with the provisions of the PURCHASE ORDER and the TERMS AND CONDITIONS.

**25.1** Prior to the termination, AUDI MÉXICO shall request in writing to the CONTRACTOR to rectify the breach within a term of 5 (five) DAYS after the notification and in case there is no answer that satisfies AUDI MÉXICO, the PURCHASE ORDER shall be terminated, applying the corresponding bond for breach.

Likewise, in case of early termination of the PURCHASE ORDER due to causes attributable to the CONTRACTOR, the conventional penalty set forth in Section 24.5 shall apply.

**25.2** In the event AUDI MÉXICO wishes to terminate the PURCHASE ORDER, it shall notify the CONTRACTOR in writing 5 (five) DAYS in advance of the date on which it wishes to terminate it. Such notice shall be made at the address indicated in the PURCHASE ORDER.

**25.3** In the event of termination of the PURCHASE ORDER, the CONTRACTOR shall stop the execution of the CONSTRUCTION WORKS and deliver to AUDI MÉXICO the CONSTRUCTION WORKS documents and all the documentation generated on the occasion of the PURCHASE ORDER for the due continuation and termination of the CONSTRUCTION WORKS, as well as all those MATERIALS already paid by AUDI

MÉXICO that are on the SITE, vacating it in a term no longer than 5 (five) DAYS after the date of termination.

**25.4** The termination of the PURCHASE ORDER by AUDI MÉXICO shall be without loss to any other right of AUDI MÉXICO in accordance with the PURCHASE ORDER and these TERMS AND CONDITIONS, such as the claim for damages.

**25.5** In the event of termination without cause attributable to the CONTRACTOR, the latter shall be entitled to the payment of the unpaid balance corresponding to the progress of the CONSTRUCTION WORKS registered and validated in the CONSTRUCTION WORKS LOGBOOKS in accordance with the CONSTRUCTION SCHEDULE. AUDI MÉXICO shall not be obliged to pay any costs or other expenses to the CONTRACTOR. The CONTRACTOR shall not be entitled to claims other than those stipulated in this paragraph for rescission or termination of this legal instrument, waiving any claim in this respect.

**25.6** Under no circumstances may the CONTRACTOR claim from AUDI MÉXICO any amount for the CONSTRUCTION WORKS not executed at the date of termination of the PURCHASE ORDER.

**25.7** In the event of termination or cancellation of the PURCHASE ORDER, AUDI MÉXICO shall analyze the progress in the execution of the CONSTRUCTION WORKS in order to determine whether the amount covered by the advance payment has been applied by the CONTRACTOR in its entirety to cover the expenses generated by the execution of the CONSTRUCTION WORKS, if this is not the case, the CONTRACTOR undertakes to return to AUDI MÉXICO the amount of the advance payment not applied for the execution of the CONSTRUCTION WORKS, within a term not exceeding 10 (ten) DAYS. If the CONTRACTOR does not proceed with the return within the time indicated herein, the CONTRACTOR acknowledges that it shall pay a moratorium interest of 1.5% (one point five percent) per month on the unpaid balances and, if applicable, the costs and expenses of the lawsuit and recovery.

## **26. CONTRACTOR'S OBLIGATIONS.**

Without prejudice to the obligations set forth in each of the sections of these TERMS AND CONDITIONS, the CONTRACTOR is obligated to:

- i. Carry out the necessary surveys for the execution of the CONSTRUCTION WORKS, in case these exist and are provided by AUDI MÉXICO, the CONTRACTOR accepts that they will only have the purpose of serving as a reference;
- ii. Carry out the necessary calculations and measurements for the execution of the CONSTRUCTION WORKS;



- iii. Participate in meetings with the corresponding authorities related to the CONSTRUCTION WORKS, as well as filling out forms and presenting the documentation that the authority requires;
- iv. Carry out regular visits with the RESPONSIBLE CONSTRUCTION MANAGER and the SUPERVISOR in order to corroborate the execution of the CONSTRUCTION WORKS;
- v. Apply reasonable skill, care and diligence to the execution of CONSTRUCTION WORKS;
- vi. Provide the MATERIALS and CONSTRUCTION EQUIPMENT in accordance with the SPECIFICATIONS for the correct execution of the CONSTRUCTION WORKS;
- vii. Use properly trained personnel for the execution of the CONSTRUCTION WORKS;
- viii. Elaborate the Progress Reports, in time and form, as well as the construction work logbooks;
- ix. Prepare and deliver to AUDI MÉXICO at the signature of the HANDOVER the PLANS of piping and electrical connections and other hidden installations, together with the license or document issued by the corresponding authority regarding the completion of the CONSTRUCTION WORKS;
- x. Follow the instructions given by AUDI MÉXICO regarding the execution of the CONSTRUCTION WORKS, while the CONTRACTOR adheres at all times to the SPECIFICATIONS and documents of the CONSTRUCTION WORKS;
- xi. Start the CONSTRUCTION WORKS according to the START DATE and execute them according to the CONSTRUCTION SCHEDULE and deliver them according to the time of completion. The CONSTRUCTION WORKS must be suitable for the purposes for which they were arranged as defined in the PURCHASE ORDER. The CONSTRUCTION WORKS shall include any work necessary to comply with the purpose of the PURCHASE ORDER, ensuring at all times the proper operation and structural stability of the CONSTRUCTION WORKS;
- xii. In case of delays, to obtain the extensions, modifications, prolongation of the permits and licenses by the corresponding authorities that are necessary for the correct execution of the CONSTRUCTION WORKS;
- xiii. Propose improving measures for the purpose of complying with the CONSTRUCTION SCHEDULE. The CONTRACTOR shall notify AUDI MÉXICO in case it identifies economic and ecological alternatives for the execution of the CONSTRUCTION WORKS, which must be viable from the construction engineering point of view, or appropriate to facilitate the operation and maintenance thereof. Any potential cost reduction identified by the PARTIES and/or SUPERVISOR and/or the RESPONSIBLE CONSTRUCTION MANAGER after the execution of the PURCHASE ORDER shall be jointly agreed in writing by AUDI MÉXICO and the CONTRACTOR;
- xiv. Comply with the quality guarantee period;
- xv. Give notice as foreseen in relation to hidden works;
- xvi. Adhere to the provisions of the permits or licenses granted by the corresponding authorities for the correct execution of the CONSTRUCTION WORKS, as well as to all the technical standards, guidelines and legal provisions in force, freeing AUDI MÉXICO from any liability, whether civil, labor, criminal or any other, either due to omission or

non-compliance thereof, as well as from the imposition of any fine or penalty related to such permits or licenses;

- xvii. Assume responsibility for any civil, commercial, criminal or legal claim by third PARTIES with respect to its personnel and the subcontractor, being obliged to keep AUDI MÉXICO harmless from such claims, or if applicable, covering the damages that such claims generate, whether for AUDI MÉXICO or for third PARTIES;
- xviii. That its personnel, suppliers and subcontractors (if applicable) are subject to the instructions given by AUDI MÉXICO's personnel in order to follow punctually the requirements of Access Control to AUDI MÉXICO's facilities and/or to the SITE, the CONTRACTOR being obliged, if applicable, to use AUDI MÉXICO's facilities correctly, being responsible for any damage caused thereto. It is a requirement for any person to comply with all AUDI MÉXICO's Access Control requirements, otherwise they will not be allowed access to AUDI MÉXICO's facilities without generating any responsibility for the PURCHASE ORDER. Likewise, if the personnel, suppliers and subcontractors of the CONTRACTOR enter the facilities of AUDI MÉXICO, they must comply with the instructions issued by the personnel of AUDI MÉXICO regarding safety and conduct within the building or facilities of AUDI MÉXICO. Such personnel must also keep due composure, respect and the greatest order of attention and courtesy in their relations with AUDI MÉXICO and with third PARTIES, otherwise AUDI MÉXICO may at its discretion remove the personnel of the CONTRACTOR, its suppliers or subcontractors from such property or facilities, without the foregoing being interpreted as a breach of this legal instrument;
- xix. Ensure that its personnel comply with the indications contained in the Internal Regulations of AUDI MÉXICO, Industrial Safety, and the Environmental regulations; said personnel must maintain due respect and the greatest order, attention and courtesy in their relations with third PARTIES;
- xx. Be responsible for any damage and/or harm directly generated by its personnel derived from negligence, fraud, bad faith or lack of expertise, whether such damage is generated to AUDI MÉXICO or to third PARTIES; furthermore, to be responsible for any act, omission or negligence of its own or its officers, personnel, employees, agents, representatives and/or any person who, for any reason, is or could be linked to the PURCHASE ORDER;
- xxi. Be responsible for the adequacy and safety of all operations on the SITE, as well as the correct execution of all works;
- xxii. Assume full responsibility for the execution of the CONSTRUCTION WORKS, if prior to the issuance of the PURCHASE ORDER, the CONTRACTOR did not express any objection whatsoever in relation to the SPECIFICATIONS, MATERIALS and documents of the CONSTRUCTION WORKS, releasing therefore AUDI MÉXICO from any responsibility regarding any error, inaccuracy or omission of any kind with respect to these documents, as well as with respect to the execution of the CONSTRUCTION WORKS;
- xxiii. Be responsible for the content of all documentation, whether written or electronic, concerning the execution of the CONSTRUCTION WORKS, considering that the responsibility in that regard shall not be excluded or limited by the fact that the

- documentation has been reviewed or approved by AUDI MÉXICO or the SUPERVISOR, renouncing to this end any claim or right to make any defense in the sense of not having been duly supervised;
- xxiv. Grant AUDI MÉXICO and its assignees an irrevocable, exclusive, royalty-free license to use and reproduce any of the drawings, details, SPECIFICATIONS and calculations and any other material (whether in printed, digital or electronic form that have been or are prepared by or on behalf of the CONTRACTOR relating to the CONSTRUCTION WORKS and the designs contained therein for all purposes in connection with the CONSTRUCTION WORKS;
  - xxv. Comply with the Occupational Safety and Health measures in accordance with the Federal Regulation of Occupational Safety and Health, as well as the applicable rules for that purpose; having to provide the documents that support the Diagnosis of Occupational Safety and Health, Program of Occupational Safety and Health, as well as the follow-up to such programs; integrating for the above mentioned the commissions of Safety and Hygiene, generating a healthy organizational environment, as well as the other applicable measures in accordance with the applicable legislation;
  - xxvi. Ensure that the RESPONSIBLE CONSTRUCTION MANAGER complies with the obligations set out in the PURCHASE ORDER, as well as those inherent to the nature of its assignment;
  - xxvii. Participate in the act of HANDOVER , as well as in the partial delivery of spaces of the CONSTRUCTION WORKS already finished without this being interpreted as a HANDOVER of the CONSTRUCTION WORKS;
  - xxviii. Carry out all the tests on the functioning of the CONSTRUCTION WORKS and its installations in order to verify its correct operation and in case of irregularities, to propose and execute immediately the corrective measures that correct the defects of the CONSTRUCTION WORKS in order to deliver them to AUDI MÉXICO in proper function;
  - xxix. Comply with the other obligations established in the PURCHASE ORDER in the CONSTRUCTION WORKS documents and these TERMS AND CONDITIONS, as well as other legal provisions that may be applicable.

## **27. AUDI MÉXICO'S OBLIGATIONS.**

Without prejudice to the obligations stipulated in each of the sections of these TERMS AND CONDITIONS, AUDI MÉXICO undertakes to:

- i. Allow the CONTRACTOR and its personnel and authorized subcontractors, access to the SITE for compliance with the PURCHASE ORDER;
- ii. Avoid physical obstructions that make access to the SITE difficult during the execution of the CONSTRUCTION WORKS, provided that this is due to a cause attributable to AUDI MÉXICO and that these are notified within the following twenty-four (24) hours after they became known to the CONTRACTOR;
- iii. Cover the CONSTRUCTION WORKS PRICE to the CONTRACTOR according to these TERMS AND CONDITIONS;

- iv. All the other obligations set forth in the PURCHASE ORDER and the TERMS AND CONDITIONS.

## **28. OCCUPATIONAL LIABILITY.**

The PARTIES acknowledge and accept that the only existing legal relationships between them are those derived from the PURCHASE ORDER. Therefore, the CONTRACTOR is obliged to perform and execute the CONSTRUCTION WORKS subject to the PURCHASE ORDER with its own personnel and workers, duly trained, under its own direction and dependence.

Therefore, the PARTIES expressly recognize in this act that AUDI MÉXICO has no link or labor relationship whatsoever with the CONTRACTOR's employees or workers, and therefore, the CONTRACTOR releases AUDI MÉXICO from any liability resulting from the application of the Federal Labor Law, the Social Security Law, the INFONAVIT Law and/or any other applicable laws, derived from the execution of the CONSTRUCTION WORKS and from the exercise by the workers of the CONTRACTOR of their legitimate rights, either individually or collectively, since the latter expressly assumes them in an integral manner, and the CONTRACTOR is responsible for the payment of ordinary and extraordinary salaries, vacations, Christmas bonuses, seniority premiums, accidents, dismissals, the Mexican Social Security Institute (IMSS) and the Institute of the National Fund for Workers' Housing (INFONAVIT), as well as any obligation derived from the work relationship between the CONTRACTOR and its personnel. In this sense, the CONTRACTOR agrees to reimburse AUDI MÉXICO for all the expenses and attorney's fees it may have incurred in the defense against any claim or legal action mentioned above or against any requirement from a judicial and/or administrative authority; the foregoing regardless of the actions of a civil, criminal, administrative nature and/or of any other nature that may assist AUDI MÉXICO in exercising its rights against the CONTRACTOR.

**28.1** The CONTRACTOR undertakes regarding the personnel that it designates for purposes of compliance with the PURCHASE ORDER to comply in a timely manner with all of the obligations set forth in the Social Security Law, and therefore releases AUDI MÉXICO from any claim in this respect, and shall also comply, on a quarterly basis, with the provisions set forth in Article 29 Bis of the INFONAVIT Law and provide AUDI MÉXICO with physical evidence of such compliance.

**28.2** AUDI MÉXICO may request, at any time and as many times as necessary, the CONTRACTOR to produce proof that the personnel it uses for the execution of the CONSTRUCTION WORKS is duly registered with the Mexican Institute of Social Security (IMSS) and INFONAVIT. Likewise, it may request at any time a copy of the provisional payment made to the Mexican Institute of Social Security (IMSS) and INFONAVIT to release the payment of the consideration.

**28.3** If any type of legal action is brought against AUDI MÉXICO by the personnel or workers of the CONTRACTOR, regardless of their position or function, for purposes of the PURCHASE ORDER, the CONTRACTOR (including any subcontracted personnel) is obliged to keep AUDI MÉXICO harmless.

**28.4** The CONTRACTOR shall comply with the Occupational Safety and Health measures in accordance with the provisions of the Federal Regulations on Occupational Safety and Health, as well as with the applicable rules for such purpose; providing, if applicable, the documents that support the Occupational Safety and Health Diagnosis, Occupational Safety and Health Program, as well as the follow-up of such programs; integrating for such purpose the Safety and Health Commissions, generating a healthy organizational environment, as well as the other applicable measures in accordance with the applicable legislation.

**28.5** The CONTRACTOR hereby declares to pay to any worker-union dues in connection with its workers to the corresponding unions, as well as to any other union that may claim ownership of the Collective Bargaining Agreement.

## **29. RISK AND RESPONSIBILITY.**

The CONTRACTOR shall have full responsibility for the due execution of the CONSTRUCTION WORKS from the START DATE and until the HANDOVER, in accordance with the framework of the applicable rules and regulations in force in the Mexican Republic, whether Federal, State or Municipal.

**29.1** The CONTRACTOR shall be liable for each damage caused by it, its workers, suppliers and, if applicable, subcontractors, unless it proves that there is no fault on its part or on the part of those mentioned, and shall be liable according to civil, criminal and other laws applicable to the case.

**29.2** The PARTIES shall be responsible for covering at their own expense the costs generated by any damage or harm resulting from negligence attributable to them, as well as for the breach of the PURCHASE ORDER.

**29.3** The CONTRACTOR shall be liable for all damages caused to AUDI MÉXICO and/or third PARTIES as a result of negligence, willfulness, bad faith or lack of expertise; furthermore, it shall be liable for any act, omission or negligence by itself or its officers, personnel, employees, agents, representatives and/or any person who, for any reason, is or may be linked to the CONSTRUCTION WORKS.

Likewise, the CONTRACTOR shall be responsible for the correct execution of the CONSTRUCTION WORKS, including those damages caused by errors and inaccuracies of any type, being responsible for those crimes generated by the non-compliance in the execution of the CONSTRUCTION WORKS.

**29.4** AUDI MÉXICO will not be responsible for having signed any document derived from the PURCHASE ORDER, since the responsibility in the execution of the CONSTRUCTION WORKS shall be of the CONTRACTOR at all times.

**29.5** The CONTRACTOR undertakes to observe the safety standards within the SITE, providing the appropriate training and safety equipment to the workers and observing and complying with all the measures set forth in section [\*]. If the CONTRACTOR fails to comply with such norms, AUDI MÉXICO shall request the CONTRACTOR in writing to correct the safety omissions within a period of no more than 24 (twenty-four) hours after the request. Otherwise, AUDI MÉXICO may temporarily or permanently suspend the CONSTRUCTION WORKS, at the CONTRACTOR's expense, and in case of delay in the HANDOVER, the contractual penalty provided in Section 2.4 of these TERMS AND CONDITIONS shall apply.

### **30. CONFIDENTIALITY/THIRD PARTY RIGHTS AND PROTECTION OF PERSONAL DATA.**

The CONTRACTOR is obliged to consider the PURCHASE ORDER, as well as all technical drawings, know-how, designs, SAMPLES, prototypes, brands, PLANS and in general any information received from AUDI MÉXICO (regardless of the medium in which it is printed, recorded, stored or device in which it is found) as AUDI MÉXICO's confidential information and commercial secret .

**30.1** The CONTRACTOR may only use the confidential information when it is absolutely necessary for the adequate compliance with the PURCHASE ORDER. The CONTRACTOR agrees to prevent any third party from obtaining unauthorized access to such information and documents without AUDI MÉXICO's prior written consent in connection with such disclosure. Such consent shall be granted at the discretion of AUDI MÉXICO. If applicable, the CONTRACTOR shall ensure that its employees and subcontractors only obtain access to such information when and to the extent that such access is necessary, and shall impose the obligation to keep its employees and subcontractors confidential in the same, or comparable, manner to that contained in the PURCHASE ORDER. The CONTRACTOR, if applicable, shall enforce the obligations of confidentiality with respect to its employees and subcontractors, and shall inform AUDI MÉXICO immediately in the event of any violation thereof.

**30.2** The duty of confidentiality agreed in this section shall remain in force for 5 (five) years following the termination of the contractual relationship.

**30.3** The obligations under this section shall not apply in the following cases:

- a. If the CONTRACTOR was already aware of the information before it was communicated by AUDI MÉXICO and the CONTRACTOR was not obliged in any way to keep this information confidential;
- b. The information was duly transmitted to the CONTRACTOR by a third party authorized by AUDI MÉXICO;
- c. Information that was public knowledge at the time it was communicated by AUDI MÉXICO;
- d. The information is not public knowledge after being communicated by AUDI MÉXICO without this being due to a violation of the duty of confidentiality established in the PURCHASE ORDER or a violation of other obligations of confidentiality.

**30.4** The corporate name of AUDI, AUDI MÉXICO, as well as the brands, logos, designs, and other protected rights of the companies that make up the AUDI GROUP.

The CONTRACTOR may only make public their business relationship with AUDI MÉXICO for advertising purposes with prior written authorization from AUDI MÉXICO. Likewise, it is understood that the CONTRACTOR is not authorized to use the trademarks and/or company name and/or logos of AUDI MÉXICO without written authorization from AUDI MÉXICO.

**30.5** The CONTRACTOR guarantees to AUDI MÉXICO that by reason of the performance of the contracted activities, no patent rights, registered trademarks, copyrights, industrial or intellectual property rights, or any other rights of third PARTIES, protected by law in the Republic of the United Mexican States or abroad, are infringed. If for any reason AUDI MÉXICO is claimed to be responsible for the assignment of third party rights, the CONTRACTOR shall take such claim at its own expense and shall cover all damages, expenses and costs that AUDI MÉXICO may suffer or incur directly or indirectly due to claims derived from the assignment of legally protected third party rights incurred by the CONTRACTOR.

**30.6** In accordance with the Federal Law for the Protection of Personal Data in Possession of Individuals (hereinafter LFPDPPP) and its Regulations, if the contractual and/or commercial relationship involves the processing of personal data and due to such processing, AUDI MÉXICO delivers to the CONTRACTOR, and/or the latter collects said personal data on behalf of AUDI MÉXICO by any means, the CONTRACTOR shall, in its capacity as the data controller process the data only and exclusively in accordance with AUDI MÉXICO's instructions, and shall in all cases, in its capacity as the person in charge, comply with the obligations set forth for such purpose in those Regulations, that is, by way of illustration and not limitation, to:

- I. Only treat personal data according to AUDI MÉXICO's instructions;
- II. Refrain from processing personal data for purposes other than those instructed by AUDI MÉXICO;

- III. Implement the safety and personal data protection measures established in the PURCHASE ORDER, in the LFPDPPP, its Regulations and in the other applicable legal provisions;
- IV. Keep personal data confidential;
- V. Delete the personal data that is being processed once the legal relationship with AUDI MÉXICO has been fulfilled or on AUDI MÉXICO's instructions, as long as there is no legal provision requiring the conservation of personal data;
- VI. Refrain from transferring personal data except if AUDI MÉXICO determines the transfer coming from subcontracting, or when required by the competent authority;
- VII. Establish and maintain safety, administrative, physical and where appropriate, technical measures for the protection of personal data, in accordance with the provisions of the LFPDPPP and its Regulations, regardless of the system of processing. Safety measures for the purposes of the PURCHASE ORDER shall mean the control or group of safety controls to protect personal data;
- VIII. Accept visits by the National Institute of Transparency, Access to Information and Personal Data Protection (INAI) to obtain the necessary elements of conviction to continue with the verification procedure established in the Regulations, as well as any other audit that AUDI MÉXICO may wish to implement.

**30.7** All obligations regarding the protection of personal data contained in the PURCHASE ORDER shall subsist the termination of this contractual relationship in accordance with the LFPDPPP.

**30.8** The CONTRACTOR is obliged to have its personnel trained in the Processing of Personal Data, in order to know and execute the obligations set forth in the LFPDPPP during the performance of the object of the PURCHASE ORDER.

**30.9** The CONTRACTOR assumes the responsibility of complying with the obligations mentioned in the TERMS AND CONDITIONS and shall be liable for any breach, either by itself or by its subcontractors before AUDI MÉXICO. The CONTRACTOR acknowledges that its first contact for settling disputes are its contacts at AUDI MÉXICO.

**30.10** The CONTRACTOR undertakes to keep AUDI MÉXICO, VOLKSWAGEN DE MÉXICO and/or any of the companies of the AUDI MÉXICO or VOLKSWAGEN DE MÉXICO Group, their officers and/or staff, harmless from:

- a. Any dispute, administrative procedure, controversy, which is a consequence of the breach of the obligations established in this agreement and its Annexes;
- b. Any demand, action, claim and/or complaint that is attempted by any direct or indirect personnel in charge of the CONTRACTOR and/or authorized subcontractors; and



- c. Any fine, requirement, procedure, seizure or assignment of property, collection action, demand, action, claim and/or complaint that is attempted by any authority, by reason of any action or omission attributable to the CONTRACTOR directly or indirectly or by reason of the breach of the obligations set forth in this TERMS AND CONDITIONS, the LFPDPPP and its Regulations and other applicable provisions on the protection of personal data, before INAI or of any other nature.

**30.11** In any of the foregoing cases referred to in this section, the CONTRACTOR agrees to pay and/or reimburse AUDI MÉXICO and/or any of the companies of the AUDI GROUP, their officers and/or personnel, any amount that they may have to pay for the attention of such actions, fines, claims, requirements and procedures in general, including attorney's fees, expenses and associated costs, as well as any amount that must be paid as a result of a conviction by a judicial and/or administrative authority or as a result of agreements or settlements that tend to end the controversy.

### **31. COPYRIGHT.**

If the CONTRACTOR holds the copyright or other rights over any of its PLANS and/or documents and/or over the works made in accordance with its drawings, PLANS and/or documents and/or instructions, it shall grant AUDI MÉXICO, free of charge, the exclusive, irrevocable, transferable, temporary, related and unrestricted rights in terms of the provisions of the Federal Copyright Law in any possible way, in whole or in part, authorizing its reproduction as many times as desired, in an unaltered or redesigned form.

In particular, the granting of rights includes, without limitation, the right to publish, multiply, distribute, reproduce, edit, exploit, as well as any other legal position regarding ideas, concepts, solutions, drafts and design of the works or services granted in any form. In the event that the employees or other agents of the CONTRACTOR possess or have acquired copyrights or other rights over the CONSTRUCTION WORKS or services to be rendered to AUDI MÉXICO, the CONTRACTOR agrees to acquire such rights and to transfer them free of charge to AUDI MÉXICO in the same manner as set forth in this provision.

The CONTRACTOR guarantees that all services received by AUDI MÉXICO in the PURCHASE ORDER are not subject to any rights, in particular the copyrights of third PARTIES. However, in the event that AUDI MÉXICO is held liable to third PARTIES for the violation of the rights of such third PARTIES in the context of the CONSTRUCTION WORKS and services to be provided by the CONTRACTOR, it shall indemnify AUDI MÉXICO for such claims and shall guarantee AUDI MÉXICO the continued use of the contractual services by means of appropriate measures.

### **32. FORCE MAJEURE.**

None of the PARTIES shall be liable or considered to be in breach of any obligation under the PURCHASE ORDER, if such breach results directly or indirectly from unforeseen circumstances or force majeure.

Fortuitous event or force majeure shall be any external circumstance, beyond the control of the PARTIES, reasonably unforeseeable and unavoidable or derived from an order of the authority, which makes compliance with the PURCHASE ORDER absolutely impossible, provided that there is no deceit, negligence or bad faith attributable to any of the PARTIES.

Likewise, the PARTIES accept that, for the purposes of the PURCHASE ORDER, facts attributable to the obligated party or facts which, being unforeseeable, are avoidable by the obligated party will not be considered a fortuitous case or force majeure. Neither shall the temporary or definitive absence, the seizure or intervention of its bank accounts, bankruptcy, insolvency or liquidation thereof be considered a fortuitous case or force majeure with respect to the CONTRACTOR.

**32.1** In the event that either of the PARTIES is affected by a circumstance of unforeseen circumstances or force majeure, it shall notify its counterpart within 24 (twenty-four) hours of becoming aware of the event, indicating the effects of such circumstance on the fulfilment of its obligations under the PURCHASE ORDER, as well as the estimated duration of such circumstance. If necessary, AUDI MÉXICO shall instruct the CONTRACTOR to suspend the execution of the CONSTRUCTION WORKS and/or the stop of the CONSTRUCTION EQUIPMENT. The party affected by the circumstance of fortuitous case or force majeure shall notify its counterpart within 24 (twenty-four) hours of the termination of said event. If the event continues for a period of 90 (ninety) DAYS, either party may give written notice of termination, which shall take effect 3 (three) DAYS after notice.

**32.2** As consequence of the termination of the PURCHASE ORDER due to unforeseen circumstances or force majeure, the CONTRACTOR shall be entitled to the payment of the outstanding balance corresponding to the advances registered and validated in the CONSTRUCTION WORKS LOGBOOKS in accordance with the CONSTRUCTION SCHEDULE. AUDI MÉXICO shall not be obliged to pay any cost or other expenses to the CONTRACTOR, its suppliers and/or subcontractors.

### **33. MISCELLANEOUS PROVISIONS.**

The PARTIES agree that no oral agreements or additional agreements have been entered into and that the provisions of the PURCHASE ORDER, documents and construction work documentation have been complied with. Modifications and supplements to the PURCHASE ORDER must be made in writing and with the express consent of the PARTIES, in order to be legally effective.

**33.1** All obligations arising from the PURCHASE ORDER must be fulfilled in the form, place and terms and/or conditions agreed upon. The ownership and risk of the items

shall be borne by the CONTRACTOR and shall pass to AUDI MÉXICO only until they are received and accepted by AUDI MÉXICO in accordance.

**33.2** The CONTRACTOR shall keep all governmental permits, licenses, orders, applications and approvals required for the construction of the CONSTRUCTION WORKS valid.

**33.3** The CONTRACTOR also undertakes to comply with all applicable provisions established by AUDI MÉXICO regarding the regulations for contractors and subcontractors, environmental measures, safety measures, processes and logistics systems and/or any other valid regulations, and therefore undertakes to impose the contents thereof for the execution of the PURCHASE ORDER. The same shall be applicable with respect to the Mexican Official Standards and/or any other legal regulations related to the purpose of the PURCHASE ORDER, since any damages caused to AUDI MÉXICO, its assets, persons or those of its visitors or the CONTRACTOR or clients derived from the breach of any of these provisions, are the responsibility of the CONTRACTOR.

**33.4** Upon entering the facilities of AUDI MÉXICO, the CONTRACTOR is obliged to comply with the legal regulations and provisions of AUDI MÉXICO in effect at the time of entry.

**33.5** With respect to Industrial Safety and Hygiene, the Industrial Safety department is authorized to request the CONTRACTOR to submit the pertinent documentation to verify that it is complying with the valid laws and with the provisions of AUDI MÉXICO at the time of the review and according to its activity within AUDI MÉXICO.

**33.6** If the CONTRACTOR is authorized to hire third PARTIES to execute the PURCHASE ORDER, the CONTRACTOR shall ensure compliance with the provisions of this section.

**33.7** AUDI MÉXICO may modify at any time the SPECIFICATIONS and quantities established in the PURCHASE ORDER, as well as the PLANS and drawings that serve as a reference, the indications on the mode of transport of the CONSTRUCTION WORKS, covered by the PURCHASE ORDER, while the additional costs that may be incurred are at its own expense.

The modifications to the PURCHASE ORDER will be carried out and agreed upon through the electronic means and/or systems designated by AUDI MÉXICO (or otherwise in a written document granted and signed by both PARTIES), releasing AUDI MÉXICO from any modification not carried out in such terms.

**33.8** Each party shall act as an independent contractor to the other, and neither party shall have any power to act, bind or commit itself on behalf of the other.

**33.9** Regardless of the causes indicated in these TERMS AND CONDITIONS, in the PURCHASE ORDER or in an agreement granted in writing between the PARTIES, it shall be considered a cause of termination of this PURCHASE ORDER if the CONTRACTOR does not comply with the obligations it acquires or deviates from the conditions it had agreed upon in writing with AUDI MÉXICO, the CONTRACTOR acknowledges AUDI MÉXICO's right to terminate the PURCHASE ORDER without the need for a prior judicial process and/or resolution, and therefore the CONTRACTOR expressly acknowledges the validity of the commissioning agreement contained herein and waives the right to invoke any thesis or provision that intends to detract from such agreement.

**33.10** Should any of the provisions of these TERMS AND CONDITIONS or the PURCHASE ORDER be invalid, it shall not affect the validity of the remaining provisions of these TERMS AND CONDITIONS. The PARTIES shall replace the invalid provisions within the scope of reasonableness and good faith with a provision that comes as close as possible to the legal and economic intent of the invalid provision.

**33.11** Each time there is a request from the specialized departments of AUDI MÉXICO, the CONTRACTOR agrees to contact the specialized department within a period of no more than 24 (twenty four) hours from the request.

#### **34. ENVIRONMENT.**

The CONTRACTOR declares that in the preparation of the CONSTRUCTION WORKS documents, it foresaw everything related to the environmental quality and the system to be used in the execution of the CONSTRUCTION WORKS, having to comply with the environmental measures established in the applicable legislation, as well as those proposals issued by the different competent administrative authorities.

Likewise, the CONTRACTOR is obliged to apply all the specific measures and procedures for the reduction or reuse of waste during the development of the CONSTRUCTION WORKS, as well as for the protection and improvement of the fauna and flora of the SITE.

**34.1** The CONTRACTOR shall be responsible for the handling of all hazardous substances, as well as for the storage of such substances and shall take all necessary safety precautions to that effect. The final disposal of hazardous and non-hazardous waste shall be the CONTRACTOR's full responsibility.

**34.2** If soil, water or air pollution is generated, it shall be the CONTRACTOR's responsibility to take all necessary measures to remedy the damage caused, as well as to cover any fines or violations imposed by the corresponding authorities, releasing AUDI MÉXICO from any liability.

- 34.3** For the use or handling that implies care, risk or danger (e.g. flammable, explosive, perishable, danger or damage to the persons handling it), the CONTRACTOR is obliged to ostensibly indicate such characteristics on the containers, wrappings, or on the items themselves with legends such as “handle with care”, “danger”, “explosive” or other applicable phrase, as provided by the Mexican Official Standards and applicable international standards.
- 34.4** For the execution of the CONSTRUCTION WORKS, the CONTRACTOR shall respect and abide by the regulations for contractors, which have been provided prior to the date of issuance of the PURCHASE ORDER which are considered of its knowledge and acceptance. If applicable, all containers of products and chemical substances entering AUDI MÉXICO facilities shall be identified in accordance with the requirements indicated in the Mexican Official Standards which, in terms of safety and hygiene, identification of containers and any others that may be applicable to the date of the PURCHASE ORDER and/or thereafter, shall be attached by mail to the CONTRACTOR.
- 34.5** If the CONTRACTOR does not comply with the above-mentioned provisions, it shall be directly responsible for any type of affectation that AUDI MÉXICO may suffer in accordance with these TERMS AND CONDITIONS. The PARTIES agree that the CONTRACTOR shall cover at its own expense all material expenses incurred by AUDI MÉXICO for having failed to comply with any safety measure in force at the time of the loss. In addition, the CONTRACTOR shall ensure that AUDI MÉXICO is kept harmless in case any third party tries to affect the interests of AUDI MÉXICO derived from the effect caused by the breach of security measures incurred by the CONTRACTOR.

**35. REQUIREMENTS FOR SUSTAINABILITY IN RELATIONS WITH BUSINESS PARTNERS (CODE OF CONDUCT FOR BUSINESS PARTNERS).**

By making an offer to AUDI MÉXICO and/or accepting the PURCHASE ORDER and/or executing an order, the CONTRACTOR confirms its knowledge and awareness of AUDI MÉXICO's requirements for sustainable development, which can be found at: [www.vwgroupsupply.com](http://www.vwgroupsupply.com) under the heading "Sustainability".

AUDI MÉXICO reserves the right to verify on SITE, by means of experts, the compliance by the business partners with the aforementioned requirements, only after prior notice and in the presence of representatives of the CONTRACTOR, within normal business hours and in compliance with the respectively applicable legislation, especially that of data protection.

The CONTRACTOR accepts and recognizes that the resources that make up its assets do not come from activities derived from or related to money laundering, financing of terrorism, or any activity considered by law as illegal; likewise it is manifested that the resources delivered to AUDI MÉXICO in the development of this TERMS AND CONDITIONS do not come from the activities described above. For purposes of the foregoing, the CONTRACTOR declares not to be in any of the lists, information systems

or databases of entities that finance terrorism or actively or passively contribute to the laundering of assets.

Additionally, the CONTRACTOR declares that it has preventive measures to avoid any money laundering activity, financing of terrorism, or any activity considered by law as illegal.

If the CONTRACTOR makes use of resources of illegal origin, disregarding its measures, it agrees to keep AUDI MÉXICO harmless from any fine or damage that may be generated by the CONTRACTOR's use of resources of illegal origin, money laundering, financing of terrorism, or any activity considered by law as illegal.

The requirements for sustainable development define the expectations of the Volkswagen Group companies regarding the conduct of suppliers involved in the added value of their products. The full text of these requirements can be found at [www.vwgroupsupply.com](http://www.vwgroupsupply.com) under the heading "Sustainability".

### **36. ANTI-CORRUPTION**

Each of the PARTIES declares that it has not paid, offered payment, caused payment, offered or agreed to be paid directly or indirectly, in respect of the PURCHASE ORDER and ancillary agreements, any contribution, fee or political commission, and further declares that they will not offer, pay, promise payment or authorize payment of money; or offer, grant or promise to grant or authorize the delivery of any security to any authority or to employees of any company or to any third party.

**36.1** The CONTRACTOR declares for all legal purposes that there is no conflict of interest in the acceptance of the PURCHASE ORDER, and, in case of one, the PURCHASE ORDER may be terminated immediately without any liability on the part of AUDI MÉXICO.

**36.2** The CONTRACTOR undertakes to perform its obligations ethically and in accordance with the applicable laws, regulations and standards in force, including, without limitation, laws that prohibit bribery and money laundering, laws that require compliance with tax laws, regulations related to imports and exports and to the payment of fees and applicable rights, and human rights laws, orders that the CONTRACTOR declares to be aware of and that it ensures that its directors, officers, employees, agents, subcontractors and representatives shall comply with the TERMS AND CONDITIONS.

### **37. NOTIFICATIONS.**

The PARTIES indicate as their addresses to hear and receive notifications those stated in the PURCHASE ORDER. The PARTIES agree that any notice or communication shall be

made in writing and with acknowledgement of receipt. Any contravention of this section shall render any notice or communication null and void.

**37.1** The PARTIES accept that communications of an administrative nature may be made for the execution of the CONSTRUCTION WORKS through a communication platform provided by AUDI MÉXICO called Virtual Object Room (VOR). The CONTRACTOR accepts that it is mandatory to use the platform in case of administrative communications, which shall not represent any cost for the CONTRACTOR and shall only be used for the purposes of the PURCHASE ORDER, having to register at the website: [www.objekt-daten.de](http://www.objekt-daten.de), where the CONTRACTOR shall under no circumstances be able to claim damages or losses to AUDI MÉXICO due to the malfunctioning of the platform or claim additional expenses for its use.

### **38. LANGUAGE, JURISDICTION AND COMPETENCE.**

The official language of these TERMS AND CONDITIONS is Spanish; if there are versions in German or English, they shall be only for information purposes and in the event of inconsistencies, the Spanish version shall always prevail.

For the interpretation, execution and fulfillment of the PURCHASE ORDER and these TERMS AND CONDITIONS, the PARTIES expressly agree to submit to the applicable Federal Commercial and Civil Legislation, as well as to the jurisdiction of the courts and/or tribunals of the State of Puebla, waiving any other jurisdiction that may correspond to them by reason of their present or future domiciles.