

VOLKSWAGEN

DE MEXICO

GENERAL CONDITIONS FOR THE PURCHASE OF PRODUCTIVE MATERIALS AT VOLKSWAGEN DE MÉXICO, S.A. DE C.V. - 2023

VOLKSWAGEN DE MEXICO, S.A. DE C.V. (hereinafter referred to as VOLKSWAGEN) and THE SUPPLIER (hereinafter referred to as SUPPLIER), agree that the clauses provided hereinbelow shall govern the operation(s) agreed to by both parties via e-mail (and in its absence through physical documents granted in writing by the areas affected for both parties), unless these clauses contravene that which has been agreed in the electronic or written document (hereinafter referred to as PURCHASE ORDER) that the parties have provided and agreed on and/or what has been agreed by the parties in other contract(s) and/or specific document(s) executed among them and related to the PURCHASE ORDER and/or said contract(s).

CLAUSES

1. DEFINITIONS:

Concerning these GENERAL PURCHASING CONDITIONS (hereinafter referred to as "CONDITIONS"), which are integrally incorporated in the PURCHASE ORDER, the terms below will be attributed with the following meanings:

a) PURCHASE ORDER: An electronic document (developed through the systems and/or means indicated by VOLKSWAGEN from time to time) or in writing in a physical document, which may consign a request or negotiation or order on goods and/or services agreed (with or without costs) with the SUPPLIER under the clauses contained in such PURCHASE ORDER and these CONDITIONS, with the specifications and/or modifications that are contained in the DOCUMENTATION related to this document and of which it is an integral part.

b) CONDITIONS: These general rules, and binding among the parties which are an integral part of the PURCHASE ORDER.

c) DOCUMENTATION: Any other agreement entered in addition to the PURCHASE ORDER and these CONDITIONS, either by physical means or electronically, as well as any document containing the following:

- i Bids;
- ii Quotations;
- iii Work scope;
- iv Specifications catalogs;
- v Catalogs of responsibilities ;
- vi Requirements booklets ("Lastenheft");
- vii Standards ;
- viii Specifications;
- ix Letters of nomination (Side-Letters or eNAs);
- x Commercializing agreements;
- xi Drawings, blueprints, designs;
- xii Delivery programs;
- xiii Negotiation protocols;

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- xiv Requirements established in the supplier portal published in link, including the regarding registration on said platform or others of the Volkswagen Group as well as their use, as long as it does not contravene what is provided for in the PURCHASE ORDER and any additional attachments that VWM determines.
- xv Requirements for Supplier's quotation via Electronic Supplier Link (ESL) (when applicable for the contracting process)
- xvi Any additional attachments that VWM determines, particularly on the following websites:

http://www.vwgroupsupply.com/one-kbp-public/en/kbp_public/information/procurement_conditions_new/volkswagen_ag.html

<http://ldb1-vwm.vw.com.mx/>; and

and in general, any other information contained in electronic or printed means and received by THE SUPPLIER or agreed to by the affected departments of both parties for the purpose of a negotiation or operation consigned in the PURCHASE ORDER needing at all times to have been previously approved in writing by the VWM Department of Legal Affairs.

d) INVOICE. Officially valid receipt or voucher, detailing the goods sold or the services provided and their price, which is delivered as proof of the payment performed by VOLKSWAGEN in accordance with applicable legislation in THE SUPPLIER's jurisdiction and allowing for its deductibility.

e) SAMPLES: Those elements considered examples or models of the goods and / or services requested of THE SUPPLIER through the PURCHASE ORDER.

f) MANUFACTURING MEANS: All machinery, devices, test equipment, dies, tooling, artifacts, designs, drawings, prototypes or any other instrument which exists or may be invented and/or discovered and serve for producing goods or used within a productive process, whether referred to in the PURCHASE ORDER as the object of acquisition itself, and/or useful for the elaboration and/or supply of goods and/or provision of services contracted by said PURCHASE ORDER.

g) VOLKSWAGEN GROUP. Group of affiliates entities, subsidiaries and/or affiliates of Volkswagen AG worldwide.

h) SUPPLIER: An individual or a legal entity who supplies goods and/or services, and who is identified as such in the PURCHASE ORDER. Said SUPPLIERS may be classified as "Tier 1", "Tier 2" and subsequent tiers. A "Tier 1" SUPPLIER means any SUPPLIER that supplies goods and/or services directly to VOLKSWAGEN. On the other hand, "Tier 2" SUPPLIERS and subsequent tier SUPPLIERS shall mean the SUPPLIERS that provide goods and / or services that are integrated to those administered by the "Tier 1" SUPPLIER to VOLKSWAGEN.

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i) DIRECT SUPPLIER: Means a business partner with a purchase order for the supply of goods or the provision of services whose supplies are necessary for the production of VOLKSWAGEN's products and/or services. For purposes of these CONDITIONS, the "Tier 1" SUPPLIERS are classified as DIRECT SUPPLIERS.

j) INDIRECT SUPPLIER: Means a company which does not supply directly to VOLKSWAGEN and does not have a purchase order issued by VOLKSWAGEN, but whose supplies are necessary for the production of VOLKSWAGEN's products and/or services. For purposes of these CONDITIONS, the "Tier 2" and subsequent tiers SUPPLIERS are classified as INDIRECT SUPPLIERS.

k) SUPPLY CHAIN: Refers to all products and services provided by THE SUPPLIER. It includes all steps in Mexico and abroad that are necessary to produce the products and/or services, starting from the extraction of the raw materials to the delivery to the end customer. It includes the actions of both the DIRECT SUPPLIERS and INDIRECT SUPPLIERS.

l) DELIVERY PROGRAM: Electronic and / or physical document that contains the dates and quantities of deliverables to be supplied by THE SUPPLIER, which may be estimated or definitive, as may be established in each case.

M) FORCE MAJEURE (acts of God). Labor disputes, civil disorder, governmental actions, and other unforeseeable and unavoidable events of great importance relieve the contracting parties of their performance obligations for the duration of the disruption to the extent of the impact of the disruption. The same applies if these events take place when performance by the contracting party concerned is already overdue. The contracting parties are obliged to provide without delay the information reasonably necessary and to adjust their obligations to each other to the changed circumstances in accordance with the principle of good faith negotiation.

2. PURCHASE ORDER.

THE SUPPLIER states that it is his/her own free will to be bound and accept the terms and conditions established in this document, acknowledging that he/she had prior knowledge of these clauses and of the additional DOCUMENTATION to this document.

Likewise, THE SUPPLIER states that his/her sale or supply conditions or any other conditions will not be applicable, except through agreements expressly granted in writing between the parties, either through the VOLKSWAGEN Purchasing department and / or other documents granted by the legal representatives of the parties.

The PURCHASE ORDER will be legally binding to both parties once it has been confirmed by THE SUPPLIER through his ACCEPTANCE by way of the electronic systems designated by VOLKSWAGEN or, by his/her signature on the PURCHASE ORDER in writing, and / or when THE SUPPLIER delivers the goods or carries out the services which are the object of the PURCHASE ORDER, through his/her partial or total compliance, the tacit acceptance of THE SUPPLIER being understood by this compliance, even when the PURCHASE ORDER has not been accepted (or signed if such is the case) by his/her legal representative (s) and / or power of attorney with the legal capacity, or person (s) authorized by THE SUPPLIER for these purposes. Notwithstanding the

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above, if the samples, prototypes or final products are produced by THE SUPPLIER or by third parties, but they do not satisfy the conditions agreed on between the parties, VOLKSWAGEN reserves the right to cancel the order it had placed without any responsibility or cost to Volkswagen.

The PURCHASE ORDER only creates obligations and rights between the signing parties; thus, if THE SUPPLIER does not have previous authorization in writing from VOLKSWAGEN, he/she will not have the capacity to either totally or partially hand over, the obligations and / or rights acquired by way of the PURCHASE ORDER, as well as the rights and/or obligations acquired with third parties through the PURCHASE ORDER nor may he/she subcontract third parties for such execution.

3. DELIVERY AND REMISSION.

The remission and delivery of the goods and / or the provision of the services being contracted by virtue of the PURCHASE ORDER, must be carried out by THE SUPPLIER or, where appropriate, by a third party agreed upon by the parties, and the SUPPLIER must oblige the third party to comply with the delivery of the goods and / or services under the terms and conditions agreed to in the PURCHASE ORDER so that in the event of non-compliance by the third party, THE SUPPLIER will be responsible for the damages and losses caused to VOLKSWAGEN by agreement between the parties regarding the amount and type of payment, volumes, characteristics, specifications and distribution in accordance with the stipulations agreed to in the PURCHASE ORDER, and / or DELIVERY PROGRAM within the indicated term (s) and the place (s) of delivery. When the delivery time is scheduled in periods, these will run from the start date (s) indicated on the PURCHASE ORDER, or failing that, from the date the PURCHASE ORDER has been issued and if there is a DELIVERY PROGRAM, under the terms that it expresses.

3.1 DELAYS IN DELIVERY DEADLINES.

If for any reason THE SUPPLIER is unable to perform the delivery of the goods and / or to render the services contracted on time, such circumstance should be made aware of Volkswagen immediately, who will be able to take any of the following options:

- a) Terminate the PURCHASE ORDER:
 - i) VOLKSWAGEN will only make payments for the goods and / or services provided up until the time the delay is generated or;
 - ii) VOLKSWAGEN reserves the right to return the goods to the SUPPLIER, and must return them in the conditions agreed to in the PURCHASE ORDER.
- b) Extemporaneously receive and accept the goods and/or services from THE SUPPLIER.
- c) Acquire the goods or services through a third party, at the SUPPLIER's expense (including the reimbursement to VOLKSWAGEN of the costs derived from the change of SUPPLIER that the latter would have had to pay).

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The choice of any of the previous options will be without prejudice to the right of VOLKSWAGEN to charge the SUPPLIER for the expenses, damages and losses caused by its breach.

If VOLKSWAGEN should decide to receive the goods and/or the provision of the service, the delay of which has been caused by THE SUPPLIER, the latter accept that VOLKSWAGEN may collect, by reason of delay in the delivery time period, the agreed contract penalty, without VOLKSWAGEN having to demonstrate for this purpose, any damages or losses suffered by THE SUPPLIER's noncompliance. The enforceability of the PURCHASE ORDER and the payment of the contract penalty are optional for VOLKSWAGEN, who reserves the right to instead require the payment of damages and losses which may have been suffered by reason of THE SUPPLIER's noncompliance, subsequently agreeing with THE SUPPLIER on the conventional penalty amount to apply.

3.2 RECEIVING GOODS AND / OR SERVICES.

The goods and/or services that VOLKSWAGEN receives must comply to the agreed conditions and shall be registered by VOLKSWAGEN as far as quantities, measures, weights or other specifications which have been determined for this purpose, these records being the only officially recognized proof as control of reception and THE SUPPLIER's compliance.

Notwithstanding the above, VOLKSWAGEN will at any moment have the right to demand that THE SUPPLIER gather and deliver to VOLKSWAGEN any reports and documentation that prove any of the aforementioned concepts.

THE SUPPLIER shall not make deliveries in qualities, which are different than those agreed to and / or would not allow for their use, or in greater or lesser amounts except by prior written authorization from VOLKSWAGEN. If such authorization is not given by VOLKSWAGEN, all additional costs for storing, packing or any other service or concept, will be borne exclusively by THE SUPPLIER, for the benefit of VOLKSWAGEN, with THE SUPPLIER authorizing VOLKSWAGEN from now on for the corresponding amounts to be compensated, against any amount that VOLKSWAGEN owes to the SUPPLIER, prior authorization of the SUPPLIER.

Any delay or failure of either party to perform its obligations shall be excused if and to the extent that the party is unable to perform due to an event or occurrence beyond its reasonable control and without its fault or negligence in terms of force majeure, provided that the assumptions of clause 1 (m) have been met.

If VOLKSWAGEN is unable to receive the goods and / or provision of services contracted due to acts of God or force majeure, disputes or work stoppages, strike (declared or not), lockouts, riots, embargoes, floods, earthquakes, natural disasters, wars, injunction or court order, measures imposed by authorities, irregularities in transport, import restrictions, interruptions in VOLKSWAGEN companies or companies of its suppliers, market conditions, marketing and sale of finished cars, or any other cause beyond its control, VOLKSWAGEN will be exempt from the obligation to receive the goods and / or services contracted for as long as the circumstances and the effects of said impossibility for reception last, so in these cases THE SUPPLIER will not have the right to demand compliance with the PURCHASE ORDER, nor to demand any compensation for damages and losses. Likewise, as the cause(s) of the impossibility to receive the articles

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remains, THE SUPPLIER must store them at his cost and risk until VOLKSWAGEN is able to take charge of them personally or through a third party it so designates.

The supplier's failure to comply as a result of, or delays caused by, the supplier's insolvency or lack of financial resources is deemed to be under the supplier's control. Change in the cost or availability of materials or components based on market conditions, supplier actions or contract disputes or any labor strike or other labor disruption applicable to the supplier or any of its subcontractors or sub-suppliers, shall not excuse the supplier's performance and the supplier assumes these risks. As soon as practicable (but not more than one full business day) after it occurs, the supplier shall provide written notice describing such delay and informing VOLKSWAGEN of the anticipated duration of the delay and the time within which the delay will be remedied. During delay or non-compliance by the supplier, VOLKSWAGEN may, at its sole discretion:

- a) purchase supplies from other sources and reduce their hours from the supplier by such quantities, without liability to the supplier; or
- b) require the supplier to deliver to VOLKSWAGEN at VOLKSWAGEN's expense all finished products, work-in-process, and parts and materials produced or procured for work under the Order; or
- c) request the supplier to provide supplies from other sources (including other suppliers) in the quantities and at the time requested by VOLKSWAGEN and at the price set out in the PO.

In addition, the supplier shall give written notice in advance of any anticipated work interruption or expiry of any of the supplier's employment contracts, and the supplier shall take all necessary steps to ensure the supply of materials to VOLKSWAGEN.

3.3 PACKING, DELIVERY AND TRANSPORTATION CONDITIONS - ACCEPTANCE OF RISK.

VOLKSWAGEN reserves the right to determine the route and mode of delivery of the goods, as well as the means of transport and the type of packaging of the goods. THE SUPPLIER will be responsible for damages caused to the goods by packaging, protection (antioxidant and / or others for its due protection) and improper cargo securing (the latter in case of being the responsibility of the SUPPLIER), if this affects the goods. In the absence of a stipulation to the contrary, the delivery of the goods must be made free of expenses, procedures and responsibilities and will be unloaded at the facilities of VOLKSWAGEN (or where it designates) in accordance with the INCOTERMS that can be negotiated from time to time in the Terms applicable in accordance with the publication of the current International Chamber of Commerce agreed upon at the time of issuance of the PURCHASE ORDER, or those terms and conditions that may be agreed between the parties, including the insurance at the cost of THE SUPPLIER.

Said insurance must cover the damages caused by the activities of THE SUPPLIER's personnel during the packing, cargo securing and manipulation of the goods during transport.

The expedition of the goods shall be carried out using the remission methods prescribed by VOLKSWAGEN. For each delivery, a receipt must be issued (or an electronic equivalent as provided by the systems designated by VOLKSWAGEN) and if no other agreement has been made, an INVOICE will be issued for each receipt.

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THE SUPPLIER will be obliged to follow the instructions that VOLKSWAGEN gives him/her regarding the restitution, return or disposition and maintenance of packing means or packaging, devices, etc. in which he delivers the goods covered by the PURCHASE ORDER, it being THE SUPPLIER who will be in charge of undertaking the customs procedures that may be required, as well as obtaining, updating, homologation and any other type of certification and / or procedure applicable.

3.4 EXPORT CONTROL.

The parties agree to comply with all applicable laws and regulations governing the export or re-export of products, deliverables, software, technology, and related information (collectively, "Exported Items") that are subject to this agreement. The parties shall not export or re-export any Exported Item to any jurisdiction or country or to any person or entity that is prohibited or restricted by any applicable law or regulation, including, but not limited to, the Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR). The parties shall obtain the necessary export licenses or authorizations prior to exporting or re-exporting any Exported Item and shall provide each other with reasonable assistance and cooperation in obtaining such licenses or authorizations. The parties shall also notify each other of any change in the classification or export status of any Exported Item and of any restrictions or conditions imposed by any exporting authority on the use or transfer of any Exported Article.

4. REGARDING THE GOODS AND / OR SERVICES.

4.1 SAMPLES AND PROTOTYPES.

THE SUPPLIER must, in each case present to VOLKSWAGEN the samples or prototypes of the goods (and services if applicable) for approval, before the series start-up, start of production (SOP) or on the required date. The delivery of samples and / or prototypes must be made within the agreed time periods and according to the provisions of the quality certification system required by VOLKSWAGEN in regard to new parts, modifications of features and procedural modifications for all affected dimensions, functions and materials. In the event that, for reasons attributable to THE SUPPLIER, THE SUPPLIER does not comply with the delivery of samples or prototypes within the agreed period, THE SUPPLIER must cover the costs generated by this delay after prior agreement between the parties. The foregoing also applies to samples required for second or subsequent releases, due to rejections of the samples or prototypes delivered until then and which are attributable to the SUPPLIER.

It shall be understood that although the PURCHASE ORDER protects samples and quotations, this does not imply a commitment by VOLKSWAGEN to accept such samples, or to cover the costs that may be generated for their production (unless there is an agreement to the contrary), nor does it bind VOLKSWAGEN to make a request or formal negotiation with THE SUPPLIER in regard to the goods and / or services for which a sample and / or prototype may have been provided.

The goods and / or services provided by THE SUPPLIER are subject to the technical specifications, samples and quotations approved by VOLKSWAGEN, as well as the safety instructions and specifications that are contained in the PURCHASE ORDER and related DOCUMENTATION, thus fulfilling the requirements of VOLKSWAGEN. THE SUPPLIER must also guarantee that said goods and / or services are delivered without defects, either visible or concealed and that they are

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manufactured or developed with new materials of the highest quality and by qualified workers. The goods and / or services must satisfy and cover the objectives and purposes for which they were required by VOLKSWAGEN. Likewise, THE SUPPLIER must ensure that the goods and / or services that it supplies comply with the legislation or regulations that are applicable to them according to their nature and the country of destination, observing among these assumptions, aspects that, by way of example include but are not limited to obtaining, updating, homologations and any other type of certification and / or procedure that may be applicable to allow VOLKSWAGEN (and, where appropriate, intermediaries and / or end users of the good or service) free, legal and unrestricted use and / or commercialization. In case the aforementioned is not guaranteed, THE SUPPLIER must cover at his/her own expense all costs, damages and losses caused to VOLKSWAGEN or third parties for non-compliance with what is described in this paragraph.

THE SUPPLIER is bound to perform all tests indicated by VOLKSWAGEN in the PURCHASE ORDER, as well as the corresponding DOCUMENTATION or that are necessary to be in compliance with the quality and/or safety and/or legal standards that apply for the automotive industry on a national and international level, as well as to document these tests and preserve such DOCUMENTATION for as long as VOLKSWAGEN so indicates. In particular, the SUPPLIER must observe the guidelines described by each area of VOLKSWAGEN in the listing requirement matrix for quotation and any additional ones indicated via ESL, available at the following link: "<http://www.vwgruposupply.com>" making sure to observe the updates that they undergo. In addition, THE SUPPLIER will provide VOLKSWAGEN personnel with every facility for verifying that what is contained in this clause is fulfilled. In cases there THE SUPPLIER liable, he must cover all expenses incurred in performing these tests, regardless of whether they are performed by THE SUPPLIER, a third party or VOLKSWAGEN, excluding the cost of the test in which the sample or prototype is approved.

THE SUPPLIER must be permanently ensured of the quality of the articles and or services that he provides or has provided, and will suggest to VOLKSWAGEN the improvements or modifications that could be made regarding these, in the understanding that such improvements or modifications will only be applicable with VOLKSWAGEN's prior written consent in which it can be agreed that, upon approval by VOLKSWAGEN, said improvements and proposals will be assigned in property to it.

4.2 SPECIFICATIONS, TESTS AND QUALITY.

If, within the sample or prototype phase, or subsequently in the series production phase, should THE SUPPLIER be unable to achieve the characteristics or specifications required by VOLKSWAGEN for the goods and / or services, a solution must be jointly determined by the parties, without this exempting THE SUPPLIER from the commitment of achieving the required specifications or characteristics.

THE SUPPLIER must document in all cases the results of analyzes performed on the articles (and services in such case), in TEST REPORTS, whether in the sample or prototype phase or in the productive phase.

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In the case of goods, the SUPPLIER'S series production must be carried out on machinery with proven capacity and with processes under statistical control, in order to obtain constant quality improvements during the time production must be carried out. Unless otherwise agreed, it will be at the SUPPLIER'S expense to make all the investments that are required to guarantee adequate operation / updating of said machinery and the quality of the products generated therein, during the expected supply period. In the case of services, these must be provided with due diligence and care and in compliance with the parameters agreed between the parties and in the absence of such agreement, in accordance with market standards.

Under no circumstances should THE SUPPLIER make a change from the place of production to the one declared in the nomination letter, whether it is of its own manufacture or supply of the parts considered in this purchase order. In the event that a change of production location is necessary, it is the SUPPLIER'S obligation to inform VOLKSWAGEN in writing within a reasonable period of time that allows testing and release of parts and to anticipate any impact on production. In the event of failure to inform in good time of the change of production location, THE SUPPLIER shall be obliged to compensate for all damages to which VOLKSWAGEN is affected. SUPPLIER shall provide VOLKSWAGEN with access to the new production site and all related documentation. VOLKSWAGEN may conduct audits at the SUPPLIER'S production facilities for the purpose of quality, cost or delivery verification. The SUPPLIER shall ensure that the terms of its contracts with its sub-suppliers and subcontractors provide VOLKSWAGEN with all the rights specified in this clause.

THE SUPPLIER must carry out its quality control with parameters corresponding to the latest state of the art. Upon request of THE SUPPLIER, VOLKSWAGEN may discuss with him the tests that are performed, as well as the means and methods of testing which are applied, so that, within the knowledge, experience and possibilities of VOLKSWAGEN, the respective status of the testing technique may be determined together.

VOLKSWAGEN expressly reserves the right to at any time carry out the tests and audits that it deems necessary in order to verify that both the quality assurance measures, the quality and regulatory compliance of the goods and / or services are being satisfied. In the event that due to quality problems of the goods and / or services, VOLKSWAGEN is forced to carry out different activities to correct and / or satisfy claims, THE SUPPLIER must cover all the expenses incurred in carrying out of these activities regardless of whether they are carried out by a third party or VOLKSWAGEN, prior agreement between the parties.

VOLKSWAGEN will not be subject to specific deadlines for the presentation of claims on goods (or services, as the case may be) that exhibit visible defects or hidden defects, the SUPPLIER expressly renounces the provisions and terms of article 383 of the Commercial Code applicable in the United Mexican States and similar foreign codes or legislation, with VOLKSWAGEN reserving the right to demand that the SUPPLIER cover the payment of the corresponding charges, with the parties agreeing from this moment on that if payment by THE SUPPLIER cannot be verified, VOLKSWAGEN may compensate said expenses against any payment pending by the latter to the SUPPLIER.

In the case of defective or non-defective goods (or services), provided according to the agreed specifications, VOLKSWAGEN, at its choice, will also be empowered to:

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- 1) Correct the defects or vices that the goods (or services) may present at a cost agreed to with THE SUPPLIER.
- 2) To be supplied through a third party at a cost agreed to with THE SUPPLIER (including compensation to VOLKSWAGEN of the costs of tools that it may have had to pay for).
- 3) Require that the SUPPLIER eliminate the defect for successive deliveries, as well as the delivery of free goods (or services) without defects to replace the defective ones.
- 4) Return the defective or deviated articles to THE SUPPLIER at the latter's cost and risk.

With regard to goods with faults that may have caused claims by end customers, VOLKSWAGEN shall have no obligation to return the replaced goods and / or materials and / or components to the SUPPLIER.

In addition, should the delivery of goods (or services) present any defects or deviations, VOLKSWAGEN shall have the power to terminate the PURCHASE ORDER without any need for legal mediation during the procedure or for any judicial statement.

All defective articles, or those failing to comply with the specifications in the PURCHASE ORDER, and rejected by VOLKSWAGEN through a document named Inspection and Return Report (RID), and / or the so-called Material Return Report (RDM) and / or another document which declares the rejection, must be removed from the facilities of VOLKSWAGEN by THE SUPPLIER and at his cost, in a period which will not exceed 21 calendar days from the date of notification by VOLKSWAGEN to THE SUPPLIER. Once this time period has passed, VOLKSWAGEN may, at its discretion:

- a) After prior agreement, charge the SUPPLIER for the storage of the rejected articles from the date on which the SUPPLIER is notified of the rejection and until the date on which said articles are removed by the latter.
- b) Likewise, in addition to the charge referred to in the immediately preceding subsection, VOLKSWAGEN may, upon prior agreement and at the expense of the Supplier, destroy all the rejected articles that may not have been removed in time by THE SUPPLIER. Any cost arising from said destruction (including the payment for their final disposal and any applicable taxes or contributions), will be borne by THE SUPPLIER with his/her prior consent.
- c) If for any reason VOLKSWAGEN cannot destroy the rejected articles, storage will continue to be charged to the SUPPLIER, in the understanding that THE SUPPLIER will be responsible for locating whoever can destroy said articles.

In any of these cases, with a prior agreement with the SUPPLIER, VOLKSWAGEN may compensate the resulting expenses and costs against any debt that VOLKSWAGEN may have with THE SUPPLIER.

Both the goods and / or components of rejected assemblies that are collected from the VOLKSWAGEN facilities, as well as those defective goods existing in the SUPPLIER's facilities must be destroyed at the expense of THE SUPPLIER, who must issue a certificate to VOLKSWAGEN that

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indubitably evidences said destruction. The rejected goods may not under any circumstances be marketed without having been destroyed or rendered useless. In exceptional cases and only with prior written authorization from a VOLKSWAGEN official with the necessary powers, THE SUPPLIER may perform reworks on rejected goods.

It is agreed between the parties that the goods and / or services which are the object of this negotiation must be delivered exclusively to VOLKSWAGEN (or whoever it designates in writing), and therefore THE SUPPLIER will not be empowered to donate, sell, dispose of or in any other way to dispose of the goods and / or deliverables of services which are the object of this PURCHASE ORDER for their own benefit and / or that of third parties. This prohibition refers in a declarative but not limiting form, to the spare parts market (car parts) and to the use of the trademark and logos of the different brands of the Volkswagen Group, these being Registered Trademarks, and does not give authorization of their use to THE SUPPLIER if it is not for the supply to VOLKSWAGEN. In the same way, THE SUPPLIER is obligated to use the MANUFACTURING MEANS that VOLKSWAGEN may have put at his disposition, only for the production of the goods and / or services in favor of VOLKSWAGEN, as well as to put at the latter's disposition said MANUFACTURING MEANS when VOLKSWAGEN so requires, without any need for legal mediation during the procedure or any type of judicial statement.

In the case that VOLKSWAGEN is found liable for any characteristic derived from deviations and/or defects of any type in the articles provided (or services rendered) by THE SUPPLIER, THE SUPPLIER must completely hold VOLKSWAGEN harmless from any claims arisen against VOLKSWAGEN and repair any damages and losses or any other expenses (including attorney's and/or advisors' fees) that VOLKSWAGEN may have had to incur in as a result of such claim. This compensatory obligation for which THE SUPPLIER is responsible, shall include all damages, in such a way that any responsibility demanded of VOLKSWAGEN by third parties, shall be fulfilled by THE SUPPLIER to the same extent as if THE SUPPLIER were directly responsible to such third parties .

For prevention and / or damage repair measures (field campaigns, service or recalls) THE SUPPLIER will be responsible to the extent that the legal scope of his/her responsibility extends. The parties may in good faith negotiate the amounts to be covered for the foregoing. VOLKSWAGEN shall inform THE SUPPLIER in all cases of any demands or claims received and provide an opportunity for THE SUPPLIER to analyze the problem stated. Both parties shall coordinate the measures to be taken, particularly in negotiating judicial or extra judicial settlements.

THE SUPPLIER expressly guarantees and is bound to manufacture and / or produce and / or obtain all spare parts for the articles that are involved in a field campaign, service or recall, as well as to cover all related costs, up to the limit of his/her legal liability.

4.2.1 INSURANCE & BAILS

Insurance:

THE SUPPLIER must at all times have Civil Liability Product insurance policy that covers any risk or civil liability (Product, Image, reputation, nature or physical consequences in the amounts that may be determined from time to time by VOLKSWAGEN or for any applicable provision) that may be incurred.

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In the event that THE SUPPLIER carries out activities at the VOLKSWAGEN facilities, he/she must have a corporate Civil Liability insurance policy to cover the damages that THE SUPPLIER may cause to a third party or to VOLKSWAGEN. The existence of this policy will be verified by the VOLKSWAGEN Security Department (see requirements at www.vwgroupsupply.com). Additionally, THE SUPPLIER must submit the aforementioned insurance policy to the VOLKSWAGEN Insurance area.

The VOLKSWAGEN Insurance Area is empowered to request the SUPPLIER to submit sufficient documentation in order to verify the coverage, validity, amount and duration of their policies.

Bails:

Whenever there is an advance payment made by VWM, a guarantee policy covering 100% of said advance must be processed and obtained in writing by THE SUPPLIER (unless otherwise instructed in advance by VOLKSWAGEN).

It is understood that VOLKSWAGEN'S obligation to make the advance payment is born after the date of receipt of both the bails policy and the invoice that covers that amount.

The advanced deposit bail must be in force at least until THE SUPPLIER delivers goods and / or services equivalent to 100% of the advanced amount to VOLKSWAGEN and there is no balance in favor of VOLKSWAGEN for said advance payment.

In the case of Compliance and / or good quality bails required from the Supplier, the latter undertakes to deliver the corresponding policies no later than three business days after the date of issuance of this PURCHASE ORDER, and THE SUPPLIER is obliged to keep them in force until the corresponding goods and / or services have been received to the full satisfaction of VOLKSWAGEN and to keep them valid for up to twelve months after said date of receipt.

Whatever the nature of the bails has been granted, it can only be canceled as long as its request for cancellation is received in writing by VOLKSWAGEN.

The bails originating due to this PURCHASE ORDER may be claimed up to 180 (one hundred and eighty) calendar days after the end of the validity of the PURCHASE ORDER.

Any of the bails originating as a result of this PURCHASE ORDER, must contain at least the following statements:

- 1) That VOLKSWAGEN is designated as the sole beneficiary;
- 2) That they are granted according to all the stipulations contained in this PURCHASE ORDER;
- 3) That they may be adjusted to any changes that the PURCHASE ORDER may undergo;
- 4) That they will continue in force in the event that a standby or extension period is granted for compliance with this PURCHASE ORDER (even when they have been authorized outside of the deadline).
- 5) That the bails will be canceled when THE SUPPLIER has fulfilled all the obligations that the aforementioned bails guarantee.

Any insurance policy and / or bail that assures or guarantees the obligations of this PURCHASE ORDER, must be issued by a surety institution authorized by the Ministry of Finance and Public Credit, and this institution must have a long-term international investment grade index (issuer and / or debt category) and must comply with the parameters issued by the K-FT (Group Treasury). All insurance (whatever their nature) and / or advance payment bails and / or compliance and / or good quality

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bails must be issued with the text indicated by the VOLKSWAGEN Insurance and bails area through its authorized agents.

4.3 SAFETY MEASURES.

As far as articles, whose use or handling imply special care, risk or danger (i.e. flammable, explosive, perishable, dangerous or damaging to people who handle them), regardless of whether said articles are in the prototype, series phase or spare parts, THE SUPPLIER (and in such case, his suppliers) shall be obligated to indicate ostensibly such characteristics on packaging, wrapping, or on the articles themselves with warnings such as: "Handle with Care", "Danger", "Explosive" or other applicable phrases, as specified in the Official Mexican Standards and current applicable international standards

For the rendering of the services, the regulations for contractors and suppliers and their corresponding annexes must be respected and followed. These regulations, which have been provided to the SUPPLIER prior to the date of this PURCHASE ORDER, must have been made known to them and been accepted by them as well. If applicable, all the containers of products and chemical substances that enter to VOLKSWAGEN facilities must be identified in accordance with the requirements indicated in the Official Standards that may be applicable in terms of safety and hygiene, identification of containers and any other that to the date of this PURCHASE ORDER and / or thereafter may exist. These may be viewed at <http://ldb1-vwm.vw.com.mx/>.

In the event that THE SUPPLIER does not comply with the aforementioned provisions, he/she will be directly responsible for any type of affectation that VOLKSWAGEN may suffer in accordance with the provisions of these terms and conditions. The parties agree that THE SUPPLIER must cover at his/her own expense all material expenses incurred by VOLKSWAGEN for failing to comply with any security measure in force at the time of the incident. Additionally, THE SUPPLIER will ensure that VOLKSWAGEN is held harmless in case any third party tries to affect VOLKSWAGEN's interests derived from the affectation caused by the breach of the security measures in which THE SUPPLIER has incurred.

4.4 PRODUCT SAFETY AND MANDATORY DOCUMENTATION.

THE SUPPLIER takes on the responsibility of seeing that all parts requiring "acceptance tests" (Typpruefung) and for safety as indicated in our drawings and / or technical specifications, will be manufactured and verified according to the standards and laws that are indicated in such drawings and / or specifications. In addition, THE SUPPLIER must perform all required tests for this type of parts and in cases where certification by third parties is requested, he should present the respective documentation issued by the external company authorized to grant such certification. THE SUPPLIER must observe and carry out the indications that the Technical Development and / or Quality Area of VOLKSWAGEN formulate for him/her.

In cases where the drawings or technical specifications stipulate the obligation to document that the specifications subject to legal guidelines were covered during the product's manufacturing process,

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these documents will be known as "Mandatory Documentation" and must be kept by THE SUPPLIER for a minimum period of 15 years subsequent to the end of production of the part, component, assembly, etc., and must compel its sub-suppliers to comply with this guideline as well. Such "Mandatory Documentation" must always be available to VOLKSWAGEN.

THE SUPPLIER undertakes to apply current Volkswagen Group quality management standards, defined in quality manuals; as well as in the Rules that govern the Automotive and Auto part Industry, which THE SUPPLIER acknowledge and accept.

If any competent authority should require or desire to inspect the production process at VOLKSWAGEN and / or the testing documents of the articles, THE SUPPLIER must provide VOLKSWAGEN and / or the corresponding authority with unrestricted access to his facilities and documentation related to the articles (or services) which are the object of the present negotiation, being THE SUPPLIER obligated to support VOLKSWAGEN unconditionally and without any cost to VOLKSWAGEN.

Unless otherwise stated, the SUPPLIER must also deliver the following documentation to VOLKSWAGEN (or the person designated by it):

- i) Invoice or remittance note corresponding to each and every one of the goods and / or service deliverables;
- ii) If applicable:
 - a. Guarantee Policy;
 - b. User instructions or manuals;
 - c. Licenses for the use of the goods;
 - d. Technical specifications;
 - e. Import customs declaration;
 - f. Certification of the goods issued by a certification body, and
 - g. Any other document deemed necessary.

4.5 WARRANTY.

All quality specifications and other conditions required by VOLKSWAGEN through the PURCHASE ORDER constitute the characteristics that must be guaranteed by THE SUPPLIER. The warranty period will be that established by VOLKSWAGEN for its products, counted as of the date on which said products were transferred to the final consumer, in accordance with current and applicable legislation in the country where the VOLKSWAGEN products are marketed, either as independent components or incorporated into other goods, unless a different term has been agreed upon in writing between the parties. These conditions and deadlines are equally applicable to deliveries made by THE SUPPLIER for the replacement of items due to the elimination of defects, in which case the warranty period will be considered as of the delivery of the replacements. In case of reworks, the guarantee period will be

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extended by the time which has passed between the elimination of defects and the conclusion of the reworks. All economic consequences derived from the situations and cases listed below must be previously agreed upon between VOLKSWAGEN and THE SUPPLIER:

In the event that VOLKSWAGEN makes a claim before the SUPPLIER for articles (or services) that have deviations, defects and / or vices, including the effect regarding claims of guarantees from end consumers, taking into account THE SUPPLIER's Technical Factor of responsibility.

The amounts demanded of the SUPPLIER derived from claims from VOLKSWAGEN end-consumer guarantees will include all costs, both labor and materials, packaging and transportation, etc., that have been used to repair the claim. THE SUPPLIER may bring whatever plea he/she deems pertinent, only within 30 calendar days after receipt of said notification.

It is agreed by the parties that the quality test reports or even the acceptance or reception of VOLKSWAGEN of the articles (or services provided) will not in any way affect VOLKSWAGEN'S right for the guarantee granted by THE SUPPLIER to be honored.

The guarantee granted by THE SUPPLIER will not be honored if the deviations or defects appearing in the articles are due to actions of VOLKSWAGEN or third parties, which consist of misuse, violation of operating instructions, maintenance or installation of articles, or inappropriate treatment or negligence, or the natural wear of the articles, among others.

VOLKSWAGEN may at any time establish specific guarantee agreements with THE SUPPLIER, which will be considered documentation related to the PURCHASE ORDER. Specifically with regard to the aforementioned guarantee agreement.

THE SUPPLIER will be responsible before VOLKSWAGEN for the goods and / or services that he/she provides, regardless of whether he/she acquired goods from third parties for the preparation and / or execution of the goods or whether the goods were sub-contracted to others. Consequently, he/she must enter into contracts or purchase orders with said third parties, establishing the terms and conditions that guarantee compliance with the various premises that, under this PURCHASE ORDER, are required from the SUPPLIER for the final product or service, particularly regarding warranty and quality terms.

Additionally, THE SUPPLIER (Tier 1) will replicate this PURCHASE ORDER, binding third parties and / or sub-suppliers (Tier 2 and subsequent suppliers) to the terms and conditions established in this document. In the event that the sub-supplier incurs in a failure or error that causes damage to the interests of VOLKSWAGEN, THE SUPPLIER will have to hold VOLKSWAGEN harmless for the expenses incurred.

4.6 MANUFACTURING MEANS AND EQUIPMENT.

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If for any reason THE SUPPLIER should not have the elements such as tools, machinery or equipment which are necessary for the production of the articles and / or lending of services, both parties shall determine the way to gather such elements. The respective agreement on this line must be denominated as DOCUMENTATION on the corresponding PURCHASE ORDER.

Notwithstanding the above, the MANUFACTURING MEANS, models, samples, templates, drawings and the like that VOLKSWAGEN has made available to THE SUPPLIER or which THE SUPPLIER has constructed according to VOLKSWAGEN's instructions may not be sold, transferred, pledged or in any other way transferred to third parties nor used for their own benefit or that of third parties without previous written consent from VOLKSWAGEN. Additionally, the articles developed through such MANUFACTURING MEANS may only be supplied to VOLKSWAGEN or to whomever VOLKSWAGEN indicates in writing. Similarly, when there is no written agreement to the contrary between the parties, it will be understood that the characteristics of service and / or its deliverables can only be carried out for VOLKSWAGEN under these conditions, without it being a possibility for the service to be reproduced or provided again for the SUPPLIER'S own benefit or that of third parties.

VOLKSWAGEN reserves the right to take any legal, commercial and / or economic action in case of breach of what is specified in the preceding paragraph.

When determining the end of the useful life and / or the obsolescence of a MANUFACTURING MEAN, THE SUPPLIER must observe the procedures established for this purpose by VOLKSWAGEN and must confirm that the buyer possesses this knowledge as well.

THE SUPPLIER must provide to VOLKSWAGEN unrestricted access to his facilities and documentation related to the structures of costs for the manufacturing of heavy tools, goods or services.

In addition, VOLKSWAGEN reserves the right to verify the costs of the tools and / or any other good or service involved, even when it has been paid or amortized.

5. PRICES, BILLING AND CONDITIONS OF PAYMENT.

The prices agreed to are fixed without prejudicing subsequent changes to them determined by mutual agreement in writing between the parties, whether by electronic means or systems designated by VOLKSWAGEN or, if it were the case, in a physical document granted by VOLKSWAGEN.

THE SUPPLIER must provide VOLKSWAGEN with unrestricted access to its records and documentation related to cost and / or price structures.

VOLKSWAGEN through contract signature with THE SUPPLIER will incorporate it to the system of "Facturación Segura" (only applicable to SUPPLIERS whose fiscal address is Mexico) where VOLKSWAGEN will carry out the invoicing of the storable goods (plants 6010, 6011, 6015, 6030 and

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6050) received of THE SUPPLIER. For payment of services and other storable goods (plant 6020) THE SUPPLIER will have to submit to VOLKSWAGEN electronically the INVOICES (according to current tax legislation) and others documentation required through the means provided by VOLKSWAGEN.

Likewise, THE SUPPLIER must comply with all what has been stipulated in the current tax legislation concerning to the issued invoicing and the documents that they derive from the payment processes and according to the procedures issued by VOLKSWAGEN. In the event of non-fulfillment VOLKSWAGEN reserves the right of suspending the payments up to the regularization of the fulfillment on behalf of THE SUPPLIER in order to prevent a tax risk.

It is understood that VOLKSWAGEN is not obliged to receive items and / or services and INVOICES that are not covered by a PURCHASE ORDER and / or respective agreement.

Unless otherwise agreed, for domestic SUPPLIERS or SUPPLIERS in Mexico, payment of invoices will be made no later than the last business day of the week that marks the conclusion of 6060 days after receipt of the good or service by VOLKSWAGEN. For foreign SUPPLIERS, two payments will be made per month, the first payment being the first fortnight 60 days after receipt of the good or service and the second during the second fortnight; provided that within said period the invoices and other documents necessary to make the payment have been made available, and that they do not present errors or omissions, otherwise this will constitute just cause to withhold the payment, without this meaning that VOLKSWAGEN will lose the right to receive any agreed discount.

It will also be considered just cause to retain payment if VOLKSWAGEN receives defective or deviated goods or services.

VOLKSWAGEN will notify the SUPPLIER of the amount of the damage and the need for compensation thereof. Once the amount has been agreed to with THE SUPPLIER, it may be applied against any outstanding debt in favor of THE SUPPLIER and at the expense of VOLKSWAGEN, in accordance with the provisions of article 2185 of the Federal Civil Code and other related articles. In addition to damages and losses, THE SUPPLIER will agree to any other mechanism with VOLKSWAGEN to reimburse all expenses incurred by VOLKSWAGEN until full payment of all claims.

Any of THE SUPPLIER's claims and / or rights against VOLKSWAGEN, which could result from the PURCHASE ORDER, may not be transferred to third parties without prior consent from VOLKSWAGEN.

It is agreed that VOLKSWAGEN will have the legitimate right to abstain from making any payments which might correspond to THE SUPPLIER, if VOLKSWAGEN were summoned by a legal or administrative authority or legal provision to retain such payments and / or put them at the disposal of the corresponding authorities.

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If parts or suppliers are nominated for series production use, during the applicable vehicle program production life and for five years after a vehicle design concludes production or a specific part concludes production (or a different period if agreed in writing by the parties) THE SUPPLIER will supply VOLKSWAGEN "replacement parts" and "service parts" orders for the same supplies, component parts and materials at the price(s) set forth in the series production Order plus any actual cost differential for special packaging. During the additional fifteen years, SUPPLIER will sell Supplies to VOLKSWAGEN in order to fulfill VOLKSWAGEN past model service and replacement parts requirements, at price(s) based on the most recent price(s) under the Purchase Order, taking into account actual, documented differences in the cost of materials, packaging, and costs of production after any of buyer's current model purchases have been completed, as mutually and reasonably agreed by the parties. If the Supplies are systems or modules, SUPPLIER will sell each component or part at a price that does not, in the aggregate, exceed the system or module price specified in the Order, less assembly costs, plus any actual cost differential for packaging. For all parts and supplies regardless of vehicle application, SUPPLIER is responsible for providing VOLKSWAGEN the documentation of any change in material price that may arise as a result of raw material cost adjustments (metals, precious metals). Such documentation must be provided in advance of the relevant pricing period. VOLKSWAGEN assumes no liability for any costs which are not provided ahead of the relevant period with sufficient time to review, validate, and adjust pricing as necessary. At request of VOLKSWAGEN, SUPPLIER will provide a list of the individual components or parts in such system or modules, will identify any subcontractors or sub-suppliers of such individual components or parts and the price paid for each and will make service literature and other materials available at no additional charge to support VOLKSWAGEN on service part sales activities. Unless otherwise expressly agreed in writing by an authorized representative of VOLKSWAGEN, or unless VOLKSWAGEN removes Tooling from SUPPLIER necessary for the production of service parts, the obligations from the SUPPLIER shall survive termination or expiration of the Order for any reason. VOLKSWAGEN Terms shall apply to and govern all of VOLKSWAGEN orders for replacement and service parts made pursuant to this clause.

6. RETURN OF PAYMENT DUE TO ADVANCE PAYMENT OR PENALTIES.

If for any reason, VOLKSWAGEN makes any payment to the SUPPLIER as an advance payment of this PURCHASE ORDER and the latter fails to provide the total services and / or delivery of the contracted goods, then THE SUPPLIER undertakes to reimburse VOLKSWAGEN for the full advance payment within a period of 30 (thirty) days, counted as of the date on which THE SUPPLIER received the corresponding written request from VOLKSWAGEN. In the event the SUPPLIER does not fully refund VOLKSWAGEN for the advance payment within the aforementioned period, THE SUPPLIER shall be liable to a penalty of 10% (ten percent) of the value of said advance for every 15 (fifteen) days of delay, which will accumulate and increase for as long as it takes the SUPPLIER to make the payment to VOLKSWAGEN, without the need for a prior judicial declaration.

7. RESPONSIBILITIES OF THE SUPPLIER.

THE SUPPLIER expressly states that his activities include the manufacturing of articles and / or the provision of services such as the ones which are the object of the PURCHASE ORDER, which are not exclusively performed for VOLKSWAGEN, acknowledging that THE SUPPLIER is an expert in the manufacture of articles and / or provision of services such as those hired and therefore both THE

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SUPPLIER and the direct and indirect personnel under his charge are aware of the legal provisions related with the object of the PURCHASE ORDER, as well as the manufacturing of the articles and / or provision of services, in the understanding that these activities must always be performed to the requirements of VOLKSWAGEN, using the most adequate advances in science and technology in accordance with the state of the art.

THE SUPPLIER shall inform VOLKSWAGEN of any intention to make changes to its corporate structure, capital structure, tax structure and/or name/company name, merger, spin-off or any other modification or action that may imply that its corporate nature and/or identification data are modified (including changes of tax domicile, shareholders and bank account). This intention must be communicated to VOLKSWAGEN prior to its execution (60 to 90 working days before the shareholders' meeting, at which the change is formalized. The respective minutes of the meeting must be duly notarized before a public notary), so that both THE SUPPLIER and VOLKSWAGEN can coordinate the pertinent actions to make the required adjustments in the latter's systems and also to schedule any other issue related to the supply and payment of the same. This notice must be given by the supplier in writing and with return receipt requested, addressed to its Principal Purchaser at VWM.

Similarly, as applicable, VOLKSWAGEN will determine whether or not it is necessary for the SUPPLIER to apply for a new DUNS number and/or assign a new supplier number and, where appropriate, replace or issue a different Purchase Order. In any case, and unless otherwise agreed, THE SUPPLIER will retain the rights and obligations it had before its modification.

Likewise, THE SUPPLIER must deliver to VOLKSWAGEN the documentation processed and formalized before the corresponding notary and authorities that are associated with any of the changes referred to in the previous paragraph. By way of example, but not limited to, this includes the delivery of a certified copy of both the public instrument where the modification to the name or company name is recorded, and, where applicable, the delivery of a copy of the updated Tax Identification Card. The documentation must be delivered to VOLKSWAGEN as soon as it is issued by the notary and/or corresponding authority.

In the event of failure to comply with the above requirements in a timely manner, the supplier will be responsible for any expenses incurred by VOLKSWAGEN as a result of such omission, including, but not limited to, the legal and tax impacts and/or liabilities derived therefrom.

In the case of a substitution of the supplier by a different legal entity, the intention of such change must also be communicated to VWM with the anticipation and requirements indicated above.

The SUPPLIER also states that he/she has his/her own material infrastructure and human resources to carry out the activities agreed in the PURCHASE ORDER, and that the staff he/she has and which is under his/her orders maintains an employment relationship exclusively with THE SUPPLIER ; who in turn is aware of his/her obligations as far as labor, tax, environmental, social security and others that bind him/her as an employer in terms of applicable and current legislation as well as regulations, manuals, guidelines and other corporate policies from VOLKSWAGEN. Additionally, THE SUPPLIER declares that he/she is responsible for the management, supervision and training of the personnel assigned to carry out the activities that derive from the PURCHASE ORDER.

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The nature of the commercial and contractual relationship that THE SUPPLIER establishes with VOLKSWAGEN, should not be considered for any reason as located in labor intermediation, substitute employer, beneficiaries and / or co-responsibility established in both Federal Labor Law and Social Security Law and other applicable laws, even in cases in which the corresponding good and / or service is provided within the VOLKSWAGEN facilities.

In this sense, THE SUPPLIER will be solely responsible before his/her staff and / or authorities, for the obligations imposed by the aforementioned legal regulations and / or other applicable provisions, especially committing to keep his/her personnel duly insured with the Social Security services, covering the corresponding worker-employer fees in a timely manner.

The supplier will be responsible and must indemnify Volkswagen de México, S. A. de C. V. and / or its affiliates or subsidiaries, directors, officers and employees, for damages caused by the actions or omissions of its employees, representatives, dependents and, in general, by any person who enters the facilities of Volkswagen de México, S. A. de C. V. at the request of the supplier or on its behalf. The supplier shall be liable for damages caused by lawful or unlawful acts, whether in the course of its duties or outside them. The responsibility of the supplier will not depend on the exercise of civil or criminal actions against any person other than the supplier nor may it be conditioned to the previous claim against the employee, representative or dependent of the supplier involved in the events, since these claims will be the exclusive recourse of Volkswagen de México, S. A. de C. V. or the person who has suffered the affectation. When the damage is caused jointly by employees, representatives or dependents of two or more suppliers, the liability of the suppliers shall be joint and several. Consequently, Volkswagen de México, S. A. de C. V. may demand the entire repair from any of the responsible suppliers. The liability of suppliers shall be independent of the sanctions that they may impose on their employees, representatives, or dependents and of the actions they may initiate against them.

Volkswagen de México, S. A. de C. V. will notify the responsible supplier or suppliers about the events that resulted in the liability and the amount of the damages caused. The supplier may present allegations and evidence related to these facts or the amount of damages caused within ten calendar days after notification. After this period, Volkswagen de México, S. A. de C. V., taking into account the allegations and evidence provided by the supplier, may charge the amount of the damages caused to the supplier's account. Volkswagen de México, S. A. de C. V. will inform the supplier about the amount charged. Volkswagen de México, S. A. de C. V. may charge without engaging in any legal proceedings.

The right of labor association and the prohibition of child labor will be implicitly understood regardless of the place of production of the goods or provision of the services.

THE SUPPLIER will be directly responsible for holding VOLKSWAGEN and / or any of the companies of the Volkswagen Group, their officers and / or their personnel, harmless in what refers to:

- a) Any lawsuit, action, claim and / or complaint that is attempted by any direct or indirect staff member under the orders of the SUPPLIER and / or the suppliers contracted by him/her; and from
- b) Any injunction, procedure, seizure or affectation of assets, collection action, lawsuit, administrative sanction, action, claim and / or complaint that is attempted by any competent authority, due to any breach of the obligations that in terms of applicable provisions are

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attributed to the SUPPLIER in his/her capacity as employer or person directly or indirectly responsible for the staff assigned to carry out activities related or associated to the fulfillment of the purpose of this PURCHASE ORDER.

In any of the above cases, THE SUPPLIER undertakes to reimburse VOLKSWAGEN and / or any of the companies of the Volkswagen Group, their officers and / or their personnel, for any amount that they have to pay due to said actions, claims, injunctions and procedures in general, including attorney's fees, expenses and associated costs, as well as any amount that must be paid as a conviction due to a resolution of authority or as a result of agreements or settlements to end the controversy or as a consequence of any collection procedure derived from deviations in THE SUPPLIER's compliance with the obligations that the Law imposes on him/her in his/her role as employer.

Likewise, THE SUPPLIER undertakes under the aforementioned terms to hold VOLKSWAGEN and others referred to harmless against any action and / or claim that their Sub suppliers or their personnel attempt against them.

VOLKSWAGEN will be empowered to compensate against any balance in favor of THE SUPPLIER, any amounts that VOLKSWAGEN may have had to pay for the concepts indicated in this clause and whose balances must be previously agreed with THE SUPPLIER.

THE SUPPLIER and VOLKSWAGEN must coordinate any reporting that must be carried out derived from Social Security legislation or any other applicable legislation in force, prior to the presentation of the report in order to ensure consistency in the information that the parties must present. For such purposes, THE SUPPLIER may contact VOLKSWAGEN through the corresponding requesting area. Additionally, THE SUPPLIER undertakes to provide evidence of its compliance with laws and regulations that are applicable in his/her role as employer, when so required by VOLKSWAGEN.

In the event that any of the parties receives a summons from judicial or administrative authorities due to matters of social security, which is considered to have an effect or link with the other party, the recipient party shall immediately inform the other party in order to allow timely attention to the matter.

The breach by THE SUPPLIER of any of the provisions of this clause will entitle VOLKSWAGEN to automatically and without liability terminate the existing contractual relationship between the parties, without prejudice to the right to collect the damages generated by said breach

It must be possible for THE SUPPLIER to produce the components that he has been supplying to VOLKSWAGEN for the production of the vehicles, at least fifteen years after the date on which he stopped supplying for the series. In the case where this is not possible, THE SUPPLIER must inform VOLKSWAGEN in writing of this situation so that all necessary measures may be taken by both companies.

8. CONFIDENTIALITY / RIGHTS OF THIRD PARTIES AND PROTECTION OF PERSONAL DATA.

THE SUPPLIER is obligated to consider THE PURCHASE ORDER, as well as technical drawings, know-how, designs, samples, prototypes, trademarks, plans and in general any information received from

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VOLKSWAGEN (regardless of the means or device used to print, record or store it), as confidential information and secret commercial property of VOLKSWAGEN. This confidentiality obligation is acquired by THE SUPPLIER and must be extended to his personnel and / or collaborators and / or suppliers contracted by him, in the understanding that the obligation of confidentiality will continue to be valid even after termination or rescission of the PURCHASE ORDER and related contractual DOCUMENTATION.

Confidential information must not be made available to third parties who are not connected to the commercial and contractual relationship of THE SUPPLIER and VOLKSWAGEN, without prior written consent by VOLKSWAGEN.

The following are considered exceptions to the obligation of confidentiality:

- a) When information is known by THE SUPPLIER because it is within the general knowledge of an expert in the subject.
- b) Because the information becomes part of the public domain and does not violate any obligation of confidentiality.
- c) Because the confidential information had to be put at the disposition of an authority with the legitimate capacity to require it (in which case THE SUPPLIER must immediately notify VOLKSWAGEN of the authority's request before divulging the information).

THE SUPPLIER must carefully safeguard all drawings, samples, prototypes, templates, designs, trademarks, plans and generally any product, good and / or information received from VOLKSWAGEN as if they were his/her own, as well as all other elements that are made available to him/her or delivered to him/her, e.g. tools, devices, machines, and the like. Equally so, THE SUPPLIER must protect these things from deterioration and / or loss and insure them by his own account in benefit of VOLKSWAGEN. THE SUPPLIER must use the above-mentioned objects exclusively for the objectives of the PURCHASE ORDER. It is agreed that, upon termination of the PURCHASE ORDER, THE SUPPLIER is obliged to return or destroy, at VOLKSWAGEN's choice and petition all the elements referred to in this paragraph, destroying all copies or reproductions of them. Furthermore, THE SUPPLIER is obligated to give and facilitate to VOLKSWAGEN, and to persons designated by VOLKSWAGEN, access to the facilities of THE SUPPLIER for the purpose of verifying the condition of the MANUFACTURING MEANS, and / or any information related to the operation.

Fixed assets to be returned must be in perfect condition (except for normal wear during operation); otherwise, THE SUPPLIER will be responsible for repair costs, except for whatever elements that at VOLKSWAGEN's choice are destined for destruction.

The corporate name of VOLKSWAGEN, as well as the trademarks, logos, designs and other protected rights of the companies that make up the Volkswagen Group, as well as the part numbers, must be

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marked in the articles ordered by VOLKSWAGEN, whenever its drawings and / or standards so prescribe, or if VOLKSWAGEN has given instructions to this effect.

THE SUPPLIER and VOLKSWAGEN may only publicize their business relationship for advertising ends when VOLKSWAGEN has given prior authorization in writing. In this same sense, it is understood that THE SUPPLIER is not authorized for using the trademarks and / or trade name and / or logos of VOLKSWAGEN without written authorization by the latter.

THE SUPPLIER guarantees to VOLKSWAGEN that no patent rights, registered trademarks, registered samples, copyrights, property rights (industrial or intellectual), or any other rights of third parties protected by national law in this country or abroad, will be damaged through performance of the activities contracted. If for any reason VOLKSWAGEN should be charged with responsibility for appropriation of the rights of third parties, THE SUPPLIER must accept responsibility for this charge, by his own right and at his own cost, and he must cover all damages and losses, expenses and costs which might be suffered by or caused to VOLKSWAGEN directly or indirectly by reason of the claims derived from the appropriation of legally protected third parties which may have been incurred by THE SUPPLIER.

In accordance with the Federal Law on Protection of Personal Data Held by Individuals (hereinafter "LFPDPPP") and its Regulation, in the event that the contractual and / or commercial relationship involves the processing of personal data and that VOLKSWAGEN delivers them to the SUPPLIER and / or the latter collects them by any means on behalf of VOLKSWAGEN, THE SUPPLIER shall, in his/her capacity as manager, treat the data solely and exclusively in accordance with VOLKSWAGEN instructions, and in all cases, comply with the obligations provided in said Regulations, which includes but is not limited to:

- I. Treating personal data in accordance with VOLKSWAGEN's instructions;
- II. Refrain from processing personal data for purposes other than those instructed by VOLKSWAGEN;
- III. Implement the security and personal data protection measures established in this PURCHASE ORDER, in the LFPDPPP, its Regulations and in the other applicable legal provisions;
- IV. Maintain confidentiality regarding the personal data processed;
- V. Delete personal data once the legal relationship with VOLKSWAGEN is fulfilled or by instructions from VOLKSWAGEN as long as there is no legal provision that requires the conservation of personal data;
- VI. Refrain from transferring personal data except in the case that VOLKSWAGEN so determines, the transfer derives from subcontracting, or when required by competent authorities;
- VII. Establish and maintain security, administrative, physical and, where appropriate, technical measures for the protection of personal data, in accordance with the provisions of the LFPDPPP and its Regulation, regardless of the treatment system. For security purposes of this PURCHASE ORDER, the control or group of security controls to protect personal data shall be understood.

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- VIII. Accept visits from the National Institute for Transparency, Access to Information and Protection of Personal Data ("INAI") to obtain the necessary elements of conviction to continue with the verification procedure established in the Regulation, as well as any other audit that VOLKSWAGEN may want to implement.

All obligations regarding personal data protection contained in this PURCHASE ORDER will continue even after the end of this contractual relationship, in accordance with the LFPDPPP.

THE SUPPLIER undertakes that his/her staff is trained in the Processing of Personal Data, in order to be aware of and execute the obligations established in the LFPDPPP during the fulfillment of the objective of this Contract.

THE SUPPLIER accepts responsibility for complying with the obligations mentioned in this agreement and will be responsible for any breach, either of his/her own or his/her sub-suppliers (Tier 2 and subsequent tiers), before VOLKSWAGEN.

THE SUPPLIER will be directly responsible for holding VOLKSWAGEN and / or any of the companies of the Volkswagen Group, their officers and / or their personnel, harmless in what refers to:

- a) Any litigation, administrative procedure, or controversy, that is the consequence of the breach of the obligations established in the present agreement and its annexes.
- b) Any lawsuit, action, claim and / or complaint that is attempted by any direct or indirect staff member under the orders of the SUPPLIER and / or the sub-suppliers (Tier 2 and subsequent tiers) contracted by him/her; and
- c) Any fine, injunction, procedure, seizure or affectation of assets, collection, lawsuit, action, claim and / or complaint that is attempted by any authority, due to any action or omission attributable to the SUPPLIER directly or indirectly or by reason of non-compliance with the obligations established in this contract, the LFPDPPP and its Regulation and other applicable provisions regarding the protection of personal data, before INAI or of any other nature.

In any of the above cases referred in this clause, THE SUPPLIER undertakes to pay and / or reimburse VOLKSWAGEN and / or any of the companies of the Volkswagen Group, their officers and / or their personnel, for any amount that they may have to pay due to said actions, fines, claims, injunctions and procedures in general, including attorney's fees, expenses and associated costs, as well as any amount that must be paid as a conviction due to a resolution of a legal or administrative authority or as a result of agreements or settlements to end the controversy.

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

The requirements for sustainable development define the expectations of the Volkswagen Group companies in relation to the conduct of the suppliers involved in the value added of their products. The full text of these requirements can be found at the following site www.vwgroupsupply.com under the heading "Sustainability"

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When THE SUPPLIER makes an offer to VOLKSWAGEN and / or accepts this PURCHASE ORDER and / or executes an order, THE SUPPLIER confirms his/her knowledge and awareness of VOLKSWAGEN's requirements for sustainable development, which can be found at: www.vwgroupsupply.com under the heading "Sustainability".

VOLKSWAGEN reserves the right to verify on-site, through experts, the fulfillment by the commercial partners of the aforementioned requirements, only after prior notification and in the presence of representatives of the commercial partner, within normal business hours and in compliance with respectively applicable legislation, especially data protection law.

THE SUPPLIER accepts and acknowledges that the resources that make up his/her assets do not come from activities derived or related to money laundering, terrorist financing, or any activity considered by law to be illegal; Similarly, THE SUPPLIER states that the resources delivered to VOLKSWAGEN in the development of this Contract do not come from the activities described above. For the purposes of the foregoing, THE SUPPLIER states that he/she is not on any of the lists, information systems or databases, of entities that finance terrorism or actively or passively contribute to money laundering. Additionally, THE SUPPLIER states that he/she has taken preventive measures to avoid any money laundering, terrorist financing, or any other activity considered by law to be illegal.

In the event that THE SUPPLIER were to use resources of illicit origin, ignoring these measures, THE SUPPLIER agrees to respond before VOLKSWAGEN and hold VOLKSWAGEN harmless from any fine or damage that may be caused by the Supplier's use of resources of illicit origin, money laundering, terrorist financing, or any activity considered by law to be unlawful.

10. COMPLIANCE: SUPPLY CHAIN DUE DILLIGENCE

THE SUPPLIER hereby agrees to comply with the protection of the human and environmental rights. Therefore, THE SUPPLIER will make its best efforts to identify, mitigate and end with human rights and environmental related risks and violations along its supply chain.

For purpose of these CONDITIONS, a human right violation will mean a violation of the prohibitions listed below (In terms of the place of employment applicable law):

1. Child labour – less than 15 years of age;
2. Slavery;
3. Forced labour;
4. Disregard for occupational health & safety;
5. Disregarding the freedom of association;
6. Unequal treatment of employment.
7. Withholding of wage. Wage withholding may only be made under the terms established by law of the place of employment and must be at least the minimum wage;
8. Cause any harmful soil change, water/air pollution, harmful noise emission or excessive water consumption;
9. Unlawful eviction or taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person.

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10. Hiring or use of public or private security forces that practices may violate human rights protected by the place of employment.

For purpose of these CONDITIONS, an environmental violation will mean a violation of the prohibitions listed below:

- Manufacture and use of mercury, mercury-added products, mercury compounds in manufacturing processes and treatment of mercury waste contrary to the Minamata Convention;
- Production and use of organic persistent pollutants pursuant to the Stockholm Convention and its Annexes;
- Handling, collection, storage and disposal of waste in a manner that is not environmentally sound in accordance with the regulations in force under the provisions of the Stockholm Convention; and
- Export of hazardous waste pursuant to the Basel Convention, from the countries listed in the Annex VII to the Basel Convention and import of hazardous wastes and other wastes from a non-party of the Basel Convention.

In order to identify and mitigate human rights and environmental related risks and violations in the SUPPLY CHAIN, THE SUPPLIER, on request by VOLKSWAGEN will fulfill the requirements included in the Section 6: Sustainability requirements for responsible supply chains of the Code of Conduct for Business Partners (please see: [Sustainability Requirements](#)).

VOLKSWAGEN reserves the right to verify the compliance with human and environmental rights obligations regularly, randomly or for specific events and using appropriate and adequate means before awarding a new contract and throughout the business relationship. If a violation of human and environmental rights by THE SUPPLIER has occurred or is imminent, VOLKSWAGEN is entitled to take prompt and appropriate measures to prevent, stop or minimize the extent of such violation and THE SUPPLIER will in this case take all appropriate measures to ensure the preceding, both on its own account and with respect to its INDIRECT SUPPLIERS.

THE SUPPLIER hereby accepts that if there are material grounds (substantiated information) for believing that a human and/or environmental rights may have been violated in the upstream SUPPLY CHAIN (with direct suppliers of VOLKSWAGEN/Volkswagen Group) is encouraged to take the following actions to ensure the protection of the human and environmental rights and obligations listed above:

1. Participate in a risk analysis conducted by the Volkswagen Group;
2. Carry out the appropriate preventive measures;
3. Support VOLKSWAGEN and/or the Volkswagen Group with the preparation and implementation of a plan to prevent, stop or minimize the violation(s).
4. Prepare and set a Code of Conduct in languages understood by local employees;
5. Appoint a sustainability officer or a similar officer who reports to the management of THE SUPPLIER and develops sustainability objectives and measures within the company;
6. Participate in the risk assessment, conduct a self-assessment and/or deploying experts locally (on-site assessment).
7. Participate in the trainings offered by VOLKSWAGEN, depending on the result of a risk analysis for suppliers carried out in advance;

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8. Establish a grievance mechanism adequate to its business. Said mechanism should be anonymous, confidential, without fear of retaliation and without hindering, blocking or impeding access to the procedure;
9. Act in conformity with the requirements of the international conventions and other legal instruments pertaining to the production, use, handling and disposal of certain substances (in particular including the requirements of the Minamata Convention of 10 October 2013 on mercury, the Stockholm Convention of 23 May 2001 on persistent organic pollutants (POPs)) as well as any related applicable Mexican laws or the laws of the place of employment ; and
10. In case THE SUPPLIER operates, production locations with more than 100 employees, it must provide evidence of certification for these locations according to the international standard ISO 14001; in case such production locations have more than 1000 employees, it must also obtain certification for these locations according to the international standard ISO 45001 or a comparable standard.

The above-mentioned recommendations shall apply as the case may be depending on the particular conditions of THE SUPPLIER (i.e. size, applicable regulations, applicable legal framework, activity, etc.).

THE SUPPLIER shall indemnify and hold harmless VOLKSWAGEN from any claims, liabilities, damages, or losses arising from or relating to the Supplier's failure to comply with the Code of Conduct for Business Partners and/or the human and environmental rights due diligence obligations.

11. FINANCING PROGRAMS FOR VOLKSWAGEN

THE SUPPLIER understands and acknowledges that VOLKSWAGEN may request financing programs from third parties in order to obtain funding for the execution of projects, of which the deliverables of this PURCHASE ORDER may be part. For this purpose, VOLKSWAGEN could be required to provide both its own information and information from suppliers participating in the project.

In this context, and if required by VOLKSWAGEN, THE SUPPLIER must deliver to it and / or to whom it indicates all the information and documentation requested by VOLKSWAGEN and / or the entity it designates in order to comply with the requirements, both to manage the granting of the aforementioned financing and so that its provisions can be exercised. Within the information/documentation to be required, we contemplate in an enunciative but not limitative manner the delivery of: commercial invoices, shipping documents, certificates of origin, confirmation letter from THE SUPPLIER on payments made by VOLKSWAGEN, as well as confirmation of the validity of this PURCHASE ORDER; Letter of commitment for reimbursement in cases of breaches of contract, declaration of anti-corruption practices, etc. Given that the delivery of said documentation is one of the conditions for the granting of financing and its provisions, THE SUPPLIER acknowledges and accepts that the delivery of the information / documentation that is required could be a condition so that the payments committed by this PURCHASE ORDER can be made.

12. LANGUAGE.

The current general conditions of the PURCHASE ORDER are drafted in the following languages: English, Spanish and German, being all texts identical and having the same binding force. However, in case of discrepancy between the aforementioned languages, solely the Spanish language will

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prevail. The English and German versions are only for a better understanding of these general conditions.

13. COMPLIANCE, RISKS AND JURISDICTION.

All obligations derived from the PURCHASE ORDER must be fulfilled in the manner, place and terms and / or conditions agreed. The property and risk of the articles will be responsibility of THE SUPPLIER and will be transferred to VOLKSWAGEN only until the moment they are received and accepted by VOLKSWAGEN as agreed.

THE SUPPLIER will maintain in force all government permits, licenses, orders, requests and approvals that are required for manufacturing the articles and also will maintain the conditions for manufacturing, packing and delivering the articles to VOLKSWAGEN. In addition, THE SUPPLIER is obligated to comply with the requirements stipulated in the International Treaties (Agreements) to which Mexico is party, especially in relation to records and content on regional level, and to provide the documentation that VOLKSWAGEN may require in this respect. In the case that THE SUPPLIER do not provide this information on time, THE SUPPLIER will receive a penalty determined by VOLKSWAGEN.

THE SUPPLIER is also obligated to comply with all the provisions established by VOLKSWAGEN, which are applicable and relative to the rules and regulations for contractors and suppliers, environmental and security / safety measures, logistics processes and systems, and / or any others which are currently valid, meaning that is obliged to be imposed from the content of these rules and measures in executing the PURCHASE ORDER. The same will be applicable with respect to the Official Mexican Standards and / or any other legal ordinances related to the object of the PURCHASE ORDER. THE SUPPLIER is responsible for any losses and damages caused to VOLKSWAGEN in terms of their products/goods or persons, or in those of their visitors or suppliers or customers, which are derived from noncompliance with any of these provisions.

Upon entering the VOLKSWAGEN facilities every SUPPLIER is obliged to comply with the legal regulations and the provisions of VOLKSWAGEN in force at the time of entry.

Regarding Industrial Safety and Hygiene, the Industrial Safety area is empowered to request the SUPPLIER to submit the relevant documentation in order to verify that it is complying with the laws in force and provisions of VOLKSWAGEN at the time of the review and in accordance with its activity within VOLKSWAGEN.

In the event that the SUPPLIER is authorized to contract third parties for the execution of the PURCHASE ORDER, THE SUPPLIER must ensure compliance with these, to the provisions of this clause.

If any provision in the PURCHASE ORDER and / or documentation related to it should be considered null and void for any reason, the validity of the rest of the conditions and clauses therein will not be affected.

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VOLKSWAGEN may modify at any time the quantities and specifications established in the PURCHASE ORDER, as well as the plans and drawings which are used as reference, the indications about means of transport, type of packing, and place of delivery of the articles constitutionally backed by the PURCHASE ORDER, and will be responsible for any additional expenses that this may cause.

Modifications to the PURCHASE ORDER will be agreed and carried out via electronic means and / or systems designated by VOLKSWAGEN (or in absence of such, by a written document signed and accepted by both parties), and VOLKSWAGEN is released from any modification which is not carried out under said terms.

Each party will act as an independent contractor with respect to the other, and neither will have the capacity to act, be obligated or committed on behalf of the other party.

Regardless of the causes indicated in the present CONDITIONS, in the PURCHASE ORDER or in agreement in writing between the parties, if the SUPPLIER fails to fulfill the obligations he has acquired, or if he deviates from the conditions that were agreed in writing with VOLKSWAGEN, it will be considered cause for rescission of the present PURCHASE ORDER, and THE SUPPLIER acknowledges the right of VOLKSWAGEN to terminate the PURCHASE ORDER without requiring without the need for a prior judicial process and / or resolution to achieve this end, and THE SUPPLIER expressly acknowledges the validity of the Resolutive Condition herein contained and renounces the invocation of any thesis or provision that would invalidate said Resolutive Condition.

The parties expressly waive any jurisdiction that may correspond to them by reason of their address or for any other reason and agree that for any controversy or litigation derived from the PURCHASE ORDER, at the plaintiff's choice the competent local or federal courts in the Cuautlancingo municipality of Puebla will be competent.

Notwithstanding the foregoing, the 1980 United Nations Convention on Contracts for the International Sale of Goods (Vienna Convention) will be applicable to said legal acts when the parties have their establishment in different countries.