

## GENERAL CONDITIONS FOR THE PURCHASE OF GENERAL PURCHASING AT VOLKSWAGEN DE MÉXICO, S.A. DE C.V. - 2024

**VOLKSWAGEN DE MEXICO, S.A. DE C.V.** (hereinafter referred to as VOLKSWAGEN) and **THE SUPPLIER** (hereinafter referred to as SUPPLIER or THE SUPPLIER), agree that the clauses provided hereinbelow shall govern the operation(s) agreed between both parties via e-mail (and in its absence through physical documents granted in writing by the responsible areas of each party), 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 (independent or specialized) 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. Scopes subject of quotation;
  - iv. Specifications catalogs;
  - v. Catalogs of responsibilities;
  - vi. Requirements booklets ("Lastenheft");
  - vii. Standards;
  - viii. Specifications;
  - ix. Letters of nomination;

- x. Commercial agreements;
  - xi. Drawings, blueprints, designs;
  - xii. Delivery programs;
  - xiii. Negotiation protocols;
  - xiv. Requirements established in the portals for suppliers published in the links mentioned hereinbelow, including those regarding registration on said platforms 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 Request for Quotation-Allgemein (RFQ-A) (when applicable for the contracting process);
  - xvi. Any additional attachments that VWM determines, particularly on the following websites:  
[https://www.vwgrouppublic.com/one-kbp-public/en/kbp\\_public/information/procurement\\_conditions\\_new/volkswagen\\_ag.html](https://www.vwgrouppublic.com/one-kbp-public/en/kbp_public/information/procurement_conditions_new/volkswagen_ag.html)  
[https://www.vwgrouppublic.com/one-kbp-public/en/kbp\\_public/homepage/homepage.html](https://www.vwgrouppublic.com/one-kbp-public/en/kbp_public/homepage/homepage.html) > Login > Information > Occupational Safety > VWMX; and  
in general, any other information contained in electronic or printed means and received by THE SUPPLIER or agreed to by the responsible 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, which must comply at all times with applicable legal requirements.
- e) SAMPLES:** Those elements considered examples or models of the goods and / or services requested to THE SUPPLIER through the Lastenheft.
- 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 SUPPLIERS shall mean the SUPPLIERS that provide goods and / or services that are integrated to those administered by the "Tier 1" SUPPLIER to VOLKSWAGEN.

- 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 fulfillment, the tacit acceptance of THE SUPPLIER being understood by this fulfillment, 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 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 assign, 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. In case that SUPPLIER may totally or partially assign any rights and/or obligations deriving herefrom, the SUPPLIER expressly understands, accepts and acknowledges that it will always be the sole responsible for the fulfillment hereunder before VOLKSWAGEN, ensuring at all times that the applicable requisites, both in this PURCHASE ORDER and in the relevant laws, including without limitation the Mexican Federal Labor Law, are fulfilled. The SUPPLIER must always release VOLKSWAGEN and hold it harmless from any related obligation or responsibility.

### 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 and this document, 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, pursuant to the terms that it expresses.

It is strictly forbidden to perform work or send materials without a PURCHASE ORDER. Otherwise, there is a risk that these will not be recognized by VOLKSWAGEN and therefore cannot be collected.

The SUPPLIER shall supply VOLKSWAGEN with only the materials necessary for the delivery or service indicated in the PURCHASE ORDER.

## **Registration of ownership of the SUPPLIER.**

The entry into the VOLKSWAGEN plant of equipment or property owned by the SUPPLIER must be carried out by means of the control of the surveillance department. In the case of personnel, they must have their identification card and uniforms in compliance with all the provisions of the VOLKSWAGEN security department.

Equipment with an altered serial number is not allowed to enter.

## **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 duly delivered and/or 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).

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 accepts 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 RECEIPT OF GOODS AND/OR SERVICES**

The goods and/or services that VOLKSWAGEN receives must comply to the agreed conditions as well as to applicable law in force 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 offset, 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.

Any deviation from the specifications must be consulted and authorized by the requesting department and Purchasing.

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 remain, THE SUPPLIER must store them at his/he cost and risk until VOLKSWAGEN is able to take charge of them personally or through a third party it so designates. Where the services are concerned, both parties shall agree to the terms and possibilities to render them by the SUPPLIER and/or their reception by VOLKSWAGEN.

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 pursuant to the terms applicable in accordance with the publication of the International Chamber of Commerce in force 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 those appointed by THE SUPPLIER to perform 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.

THE SUPPLIER will be obliged to follow the indications of VOLKSWAGEN regarding the restitution, return or disposition and maintenance of packing means or packaging, devices, etc. in which the goods are delivered, 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 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 RFQ-A available at the following link: "<http://www.vwgroupsupply.com>" making sure to observe their updates. In addition, THE SUPPLIER will provide VOLKSWAGEN personnel with unrestricted assistance for verifying that what is contained in this clause is fulfilled. In cases where THE SUPPLIER is liable, he/she 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 ensure 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.

Likewise, THE SUPPLIER undertakes before VOLKSWAGEN to deliver the information and documentation that the latter may require to confirm fulfillment of the obligations agreed herein, and any other documentation that may be required by applicable laws, within the term so indicated by VOLKSWAGEN. In case that due to its complexity or volume a longer term is required, the delivery will be made as agreed upon by the parties.

## 4.2 SPECIFICATIONS, TESTS AND QUALITY

If, within the sample or prototype phase, or subsequently in the series production phase, 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 analysis performed on the articles (and services in such case), in TEST REPORTS, whether in the sample or prototype phase or in the productive phase.

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, ensuring compliance with laws and regulations applicable thereto at all times.

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 technical definition indicated in the Lastenheft. Upon request of THE SUPPLIER, VOLKSWAGEN may discuss with him/her 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 state of the art 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 or else, fulfillment of the applicable legal obligations. 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. If VOLKSWAGEN should detect any non-fulfillment on the part of SUPPLIER to the obligations herein mentioned and/or applicable laws, VOLKSWAGEN, may terminate the PURCHASE ORDER without any responsibility and without the need for a court resolution or procedure.

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 waives 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 offset said expenses against any payment pending by the latter to the SUPPLIER.

In the case of defective or defective goods (or services) not provided according to the agreed specifications, VOLKSWAGEN, at its choice, will also be empowered to:

- 1) Correct the defects or vices that the goods (or services) may present at a cost to THE SUPPLIER.
- 2) To be supplied through a third party at a cost to THE SUPPLIER (including compensation to VOLKSWAGEN of the costs 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/her 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, 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 the destruction of 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.

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.

## 4.2.1 INSURANCE AND BAILS

### Insurance

THE SUPPLIER must have a General Civil Liability policy to cover the risks of its activities and / or products that could damage third parties and / or VOLKSWAGEN in its assets or in its persons. With an adequate Insured amount according to a risk analysis.

In the event that THE SUPPLIER carries out activities at VOLKSWAGEN's 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](http://www.vwgroupsupply.com) ). Additionally, THE SUPPLIER must submit the aforementioned insurance policy to the VOLKSWAGEN Insurance and bails area.

The SUPPLIER is liable for damages caused within VOLKSWAGEN by its personnel, equipment or companies subcontracted by it. For this reason, the SUPPLIER must have civil liability and/or assembly insurance, which covers the amount of the damage caused.

The VOLKSWAGEN Insurance and bails 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 VOLKSWAGEN, a guarantee policy covering 100% of said advance must be processed and obtained in writing by THE SUPPLIER (unless otherwise requested in advance by VOLKSWAGEN).

It is understood that VOLKSWAGEN'S obligation to make the advance payment will occur 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 under the obligation 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 indicated by the K-FT (Group Treasury). All insurance (whatever their nature) and / or advance payment bails and / or compliance and / or good quality 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-her 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

During the rendering of the services, the regulations for visitors, 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 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 the website [https://www.vwgroupsupply.com/one-kbp-pub/en/kbp\\_public/homepage/homepage.html](https://www.vwgroupsupply.com/one-kbp-pub/en/kbp_public/homepage/homepage.html) > Login > Information > Occupational Safety > VWMX.

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, its employees, visitors or any other person 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 that THE SUPPLIER has incurred in.

### **Accident prevention**

In order to avoid possible accidents, it is strictly forbidden to carry out maintenance work or repairs, if the scope of this PURCHASE ORDER does not cover it. Maintenance or repair work may only be carried out by VOLKSWAGEN's maintenance departments or by specialist suppliers contracted for this purpose, once all safety requirements have been met.

### **Emergency medical service**

The VOLKSWAGEN Medical Service has been created to provide care only to VOLKSWAGEN employees. In the event that any employee of the SUPPLIER requires attention from the VOLKSWAGEN medical service due only to emergency care within the VOLKSWAGEN plant, VOLKSWAGEN will make the corresponding charges to the SUPPLIER by deducting the amount of these directly from their PURCHASE ORDER or general account.

Medical services will be subject to the availability of VOLKSWAGEN's resources, which will prioritize the care of VOLKSWAGEN workers. Therefore, in the event that VOLKSWAGEN is unable to respond to the SUPPLIER's urgency, the SUPPLIER must seek alternative solutions.

## **4.4 PRODUCT SAFETY AND MANDATORY DOCUMENTATION**

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 refurbishing/adjustments to the goods and/or services, the guarantee period will be extended by the time which has passed between the elimination of defects and the conclusion thereof. All economic consequences derived from the situations and cases listed below must be previously agreed upon between VOLKSWAGEN and THE SUPPLIER.

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 and/or services from third parties. 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, if THE SUPPLIER "Tier 1" contracts with third parties and/or sub suppliers "Tier 2" and subsequent suppliers to execute this PURCHASE ORDER, he/she must ensure that said negotiations include those contractual conditions and specifications of deliverables necessary to guarantee the due execution of said PURCHASE ORDER. 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

The SUPPLIER must have the sufficient and/or necessary elements such as tools, machinery and/or equipment for the production of the items and/or provision of services, or if it does not have any of these elements must be collected from it.

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 determinations 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/her facilities and documentation related to the structures of costs for the manufacturing of toolings, 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 for 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.

Any unilateral price increase shall entitle VOLKSWAGEN to cancel this PURCHASE ORDER.

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

The SUPPLIER's INVOICES and/or other documentation required to make the payment must be presented physically and/or electronically at the address of VOLKSWAGEN in accordance with the tax legislation in force in Mexico, before the Department indicated by it, unless otherwise indicated.

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 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 the current tax legislation concerning the issued invoicing and the documents that 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.

The SUPPLIER undertakes to deliver to VOLKSWAGEN the invoice(s) covering the services and/or goods requested in accordance with this PURCHASE ORDER for payment, immediately upon completion and acceptance of the same by the PURCHASE ORDER, otherwise the prompt payment of such invoice(s) cannot be guaranteed. The Supplier acquires the obligation to prove the delivery of such services and/or goods to VOLKSWAGEN and without the delay on the part of the SUPPLIER constituting rights in its favor to demand the payment of revenues.

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 45 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 45 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 justified cause to retain payment if VOLKSWAGEN receives defective or deviated goods or services or that the SUPPLIER is in non-compliance of labor, social security and tax laws.

VOLKSWAGEN will notify the SUPPLIER of the amount of the damage and the need for offset 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 assigned 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.

## 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.

### Conventional Penalty

As a conventional penalty for damages due to delay, 0.5% of the total value of the order (per calendar day or per week started) that exceeds each and every one of the agreed deadlines, up to a maximum of 5%, will be deducted without further verification, without further verification, in the final compensation, up to a maximum of 5%, unless rescheduling is accepted by the applicant and authorized by his department head in writing and with a copy to the General Purchasing department.

VOLKSWAGEN reserves the right to assert additional damages for delay against verification.

If circumstances arise that do not fall under the responsibility or in the area of influence of the SUPPLIER and/or VOLKSWAGEN, the agreed deadlines will be renegotiated. This also applies to delays for which it can be proven that they were caused by VOLKSWAGEN.

## 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 it has the technical capability, knowledge, expertise, training, documentation and necessary specialization for the manufacture of articles and / or provision of services such as those hired and therefore both THE SUPPLIER and its personnel (SUPPLIER'S PERSONNEL) 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 means, its own and sufficient material infrastructure as well as its own SUPPLIER'S PERSONNEL needed to carry out the activities agreed in the PURCHASE ORDER, further declaring that the SUPPLIER'S PERSONNEL involved in the rendering of the services and/or execution of such PURCHASE ORDER is under his/her exclusive dependency and direction, maintaining an employment relationship exclusively with THE SUPPLIER ; who in turn fulfills 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 outstanding legislation as well as VOLKSWAGEN regulations, manuals, guidelines and other corporate policies . Additionally, THE SUPPLIER declares that he/she is responsible for the management, supervision and training of the personnel involved in the performance of the activities that derive from the PURCHASE ORDER. Therefore, Parties hereby agree that SUPPLIER'S PERSONNEL will not have any subcontracting relationship with VOLKSWAGEN and thus, SUPPLIER is and will be their only employer. As a consequence, SUPPLIER shall be the only responsible to comply with all the obligations deriving from the labor relationship with his/her personnel.

The nature of the commercial and contractual relationship that THE SUPPLIER establishes with VOLKSWAGEN, should not be considered for any reason as personnel subcontracting, employer, substitute employer, and / or joint responsibility established in both the Mexican 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. The SUPPLIER expressly acknowledges that it has its own sufficient elements to provide the goods and / or services as well as to comply with the labor, fiscal and social security obligations that may be generated at its expense due to this PURCHASE ORDER. In such virtue, the SUPPLIER will assume any obligation derived from a labor responsibility or of any other nature with respect to the SUPPLIER'S PERSONNEL that could be involved.

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.

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, including without limitation, the attention of labor demands, the payment of payrolls, bonuses, profits, contributions to the IMSS, INFONAVIT, AFORE, contributions, taxes, and payroll tax and the others that are applicable.

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, board members, employees, affiliates and / or their personnel, harmless in what refers to:

- a) Any lawsuit, action, claim and / or complaint (including all legal costs and fees) that is attempted by SUPPLIER's PERSONNEL or any individual that could be involved in the supply of the goods or the rendering of services, including any third party and / or the suppliers contracted by him/her; and from
- b) Any injunction, procedure, seizure or affectation of assets, collection action, lawsuit, fines, expenses, administrative sanction, criminal and tax, action, claim and / or complaint that is attempted by any competent authority, due to any breach of the obligations that in terms of applicable and valid provisions that are attributed to the SUPPLIER in his/her capacity as employer or person responsible for the staff involved in the rendering of related or services connected to the fulfillment of the purpose of this PURCHASE ORDER.

The SUPPLIER agrees to protect, defend, keep safe and peaceful and indemnify VOLKSWAGEN, its officers, directors, employees, agents and affiliates from and against any claim, action, lawsuit or proceeding, including all damages, losses, penalties, fines, expenses and costs (including all legal expenses and costs), resulting from or arising out of or relating to any breach or violation by the SUPPLIER of the statements, commitments or obligations under this PURCHASE ORDER and those established by applicable laws, as well as those related to any negligence, willful conduct or fraud of the SUPPLIER during the performance of its obligations under 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.

The Parties agree that in the event of non-compliance by the SUPPLIER with any of its labor, social security and/or tax obligations, with respect to the SUPPLIER'S PERSONNEL who may be involved in the provision of the services, and in the event that any authority may require VOLKSWAGEN to pay or comply with any such obligations, the SUPPLIER shall reimburse VOLKSWAGEN for all costs, amounts that are prevented from deducting, expenses, payments, (including the payment of attorneys' fees) that it has paid for this reason, from the value thereof; the SUPPLIER is under the

obligation to hold VOLKSWAGEN, its affiliates, employees and representatives harmless of any liability, controversy, demand, complaint or complaint that may arise from the foregoing.

VOLKSWAGEN will be authorized to offset 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 Mexican labor, tax and Social Security Mexican 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 and/or service supplier, when so required by VOLKSWAGEN.

In the event that any of the parties is served with a notice from judicial or administrative authorities due to labor, tax or social security matters, which are 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.

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

THE SUPPLIER undertakes to consider THE PURCHASE ORDER, as well as technical drawings, knowhow, designs, samples, prototypes, trademarks, plans and in general any information received from VOLKSWAGEN (regardless of the means or device used to print, record or devices used to store same), 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 involved in the rendering of the service and / or suppliers contracted by him and subsequent, on 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 made available to 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 and / or documentation 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 request 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 and tear 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 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 processor, treat the data solely and exclusively in accordance with VOLKSWAGEN's instructions, and in all cases in his/her capacity as processor, 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.
- 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 the staff involved in the execution of this PURCHASE ORDER/ rendering of service 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 PURCHASE ORDER 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 this PURCHASE ORDER, its annexes and applicable and valid legislation.
- b. Any lawsuit, action, claim and / or complaint that is attempted by any member of the SUPPLIER and / or the sub-suppliers (Tier 2 and subsequent tiers); 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 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](http://www.vwgroupsupply.com) under the heading "Sustainability".

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](http://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;
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: Basicpage for general pages (HTML) (vwgroupsupply.com)).

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;
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 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, as well as applicable laws and regulations, 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 undertakes to comply with all the provisions, laws and regulations that are applicable to he-she, and those determined 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, applicable and in force, 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 in force, and the provisions of VOLKSWAGEN in force at the time of entry.

Regarding Industrial Safety and Hygiene, the Industrial Safety area is entitled 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.

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 contemplated 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 responsibility derived from modifications which are 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 this PURCHASE ORDER, without the need for a previous special process and/or court resolution and THE SUPPLIER recognizes the right of VOLKSWAGEN to terminate the PURCHASE ORDER 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 (pacto comisario) herein contained and waives the right to invoke 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.