



General Contractual Terms and Conditions for IT Project Services governed by Mexican Law(Statu 10/2015)

1. Application

- 1.1 These general contractual terms and conditions (hereinafter referred to as "GTC") shall exclusively apply to all IT project services (software development, IT operation, IT servicing and IT consulting services) for BMW de Mexico, S.A. de C.V. and/or BMW SLP, S.A. de C.V. (hereinafter respectively referred to as "BMW").
- 1.2 Different or additional contractual or delivery terms and conditions shall not apply, even if these are not expressly contradicted by BMW.

2. Conclusion of the Agreement

- 2.1 An Agreement for all IT project services (software development, IT operation, IT servicing and IT consulting services) is always concluded on the basis of a final offer by the contracting party (hereinafter "**Contractor**") and the written order referring to this offer by BMW.
- 2.2 If the Contractor confirms an order by BMW that is different from the written order or that does not correspond to these GTC, the differing or contrary terms and conditions shall only apply if they are expressly agreed upon in writing by BMW.
- 2.3 In the event of any conflict between the integral parts of the Agreement, the following order shall apply:

- BMW's Purchase Order;
- Records of the Agreement award/negotiations;
- Documentation of invitation to tender including all schedules;
- Individual or Framework agreements between BMW and the contracting party or Suppliers, including but not limited to IT framework agreements or development framework or individual agreements (hereinafter referred to as "the Agreement"), if any;
- BMW's General Contractual Terms and Conditions (GTC);
- Description of Service, Requirement Specification (i.e. the technical content revised following negotiation).

3. Subject Matter of the Agreement, Purchase Order

- 3.1 The Contractor undertakes to perform the IT project services set out in the Description of Services appertaining to the purchase order on the basis of these contractual terms and conditions.
- 3.2 The Description of Services contains a complete description of the scope of performance, the testing and acceptance criteria, the deadlines to be met, the description of the environment, the required content of the documentation and of BMW's collaboration.
- 3.3 If any reference is made in the Description of Services to the Contractor's offer, said reference refers only to the technical part.
- 3.4 The Contractor's contractual obligation includes the training of BMW's employees to the extent set out in the Description of Services under Clause 3.2.

4. Contractor's Obligations

- 4.1 The project manager to be appointed by the Contractor shall plan, coordinate and supervise all aspects of the project in compliance with the respective ITPM rules and guidelines. He shall be the responsible contact person for BMW's project manager.
- 4.2 The Contractor's project manager shall upon request at any time inform BMW's project manager of the status of the work performance. For this he must produce an up-to-date project monitoring plan with start and end dates, degree of completion and status per function.

5. Changes and Additions

- 5.1 BMW can at any time up until acceptance demand changes and additions as it sees fit and having due regard for the interests of the Contractor. The Contractor is under a duty to suggest changes to BMW, which it considers necessary or expedient with a view to successful performance of the Agreement. It shall also execute said changes following written consent by BMW.
- 5.2 If a change entails an increase or reduction in cost and/or the postponement of a deadline, the Contractor shall be under a duty

to point this out at the same time as its suggested change or without undue delay following receipt of BMW's change request and to submit a corresponding revised tender. The change shall be made on the basis of a written agreement stipulating the remuneration for the additional costs, or the allowance for the reduced costs, as well as the time schedule.

- 5.3 If the bases for the remuneration for the contractual services or part of the Contractor's services are altered due to the change, the remuneration pertaining thereto must be adjusted by agreement taking into account the additional or reduced costs.

- 5.4 If a change makes necessary any services of the Contractor, which are not provided for in the Agreement, the Contractor shall have a right to additional remuneration provided said additional remuneration is agreed prior to performance of the additional service. The additional remuneration shall be determined in accordance with the bases for calculating the price for the contractual services and according to the special costs of the additional service required.

6. House Regulations, Authority to Represent the Company

- 6.1 The Contractor must ensure that its employees or other third parties engaged by the Contractor observe BMW's House Regulations. Any instructions by BMW's factory security have to be observed. Serious breaches of the House Regulations (e.g. the prohibition of taking photographs) shall entitle BMW to prohibit individual persons engaged by the Contractor from entering the premises.
- 6.2 The Contractor acknowledges that any third parties, whom BMW entrusts with planning and/or monitoring tasks, do not have any authority to represent BMW. They particularly do not have the right to extend performance deadlines or to legally acknowledge invoice sums, wage claims, management hours, quantity surveys or suchlike.

7. Deadlines / Contract Penalty

- 7.1 Whenever deadlines are stated by calendar week or months the 1st working day shall apply in each case. If said deadlines (including individual deadlines) are missed intentionally or negligently the statutory consequences of default shall apply.
- 7.2 If the Agreement includes a contract penalty clause, BMW can claim any damages in excess thereof against proof of the corresponding amount of loss. The right to demand payment of an agreed contract penalty is not stopped by any failure to expressly reserve the right to claim a contract penalty at the time when the belated delivery was accepted.
- 7.3 The above provisions shall also apply in the event that the Contractor renders the services, in whole or in part, in due time but such that they cannot be accepted.
- 7.4 In the event of any delays, for which the Contractor is not responsible, the Contractor shall, upon request, have a right to a reasonable extension of the contractual deadlines. In the event of any delays, for which BMW is responsible, the Contractor shall have a right to reimbursement of any costs it has thereby incurred (not including lost profit).
- 7.5 The Contractor must notify BMW in writing and without undue delay of any threat to deadlines concerning the Contractor even if it assumes that BMW is aware of the circumstances and reasons.

8. Duty to Cooperate

The Contractor shall receive from BMW any and all documents, information, and data required for creating the work to the extent set out in the Description of Services under Clause 3.2.

9. Delivery, Passing of Risk

- 9.1 Unless otherwise stipulated in the respective purchase order or in the call-off order, the Contractor shall make delivery carriage paid to the agreed place of use or to the stated address for shipment ("CPT" in accordance with INCOTERMS 2010).
- 9.2 BMW shall notify the Contractor in writing and without undue delay of any defects in the delivery as soon as they have been ascertained in the proper course of business. In this respect the

- Contractor agrees to waive its right to plead that a notice of defects has been given belatedly.
- 9.3 The Contractor shall ensure that each delivery is accompanied by a delivery note, which shall contain the following minimum information (unless required otherwise by BMW): the Purchase Order number, date of the Purchase Order, number of packages and contents and, in case of part delivery previously agreed by the Parties, the outstanding balance remaining to be delivered.
- 9.4 Unless otherwise expressly agreed, part performance is not permitted.
- 9.5 Force majeure, industrial disputes, official measures or other unavoidable events shall release BMW from its duty to receive the subject matter of delivery for the duration of the disturbance.
- 10. Handover of the Program**
- If the IT project services consist of developing or adapting software, the program shall be handed over on an appropriate data carrier in machine-readable form together with the source code.
- 11. Open Source**
- 11.1 The Contractor further warrants that the IT project services rendered by Contractor do not contain any Open Source Software within the meaning of the definition in this Clause 11.1 In this Agreement the term "**Open Source Software**" means any software, which is licensed free of any licence fee (i.e. it is prohibited to claim any royalty payments for use of the licence rights, whereas it is permitted to assume the costs incurred by the licensor) and which is under licence or subject to some other contractual arrangement ("Open Licence Terms") containing at least one of the following conditions as a condition for processing and/or distributing such software and/or any other software associated with it, derived from it or distributed together with it ("Derivative Software"):
- that third parties are able to freely access the source code of such software and/or any DERIVATIVE SOFTWARE; and/or
 - that third parties are permitted to create derivative products derived from such software and/or any DERIVATIVE SOFTWARE.
- OPEN LICENCE TERMS thereby comprise, inter alia and only by way of example, the following licences or distribution models: The GNU GENERAL PUBLIC LICENSE (GPL) and the GNU LESSER GENERAL PUBLIC LICENSE (LGPL).
- 11.2 As far as the IT project services rendered by Contractor contain in derogation from Clause 11.1 Open Source Software the Contractor is obliged to include a precise description of the Open Source Software in the specification of the goods/services rendered. The Contractor further warrants that:
- the Open Source Software set out above is the only software contained in the the as the IT project services rendered to be licensed, which falls under the above definition of Open Source Software,
 - the Contractor has fulfilled all of the licence obligations that exist in relation to the listed Open Source Software,
 - the Contractor has handed over to BMW all relevant licence texts and all necessary source codes as well as build scripts for each version of the Open Source Software delivered to BMW in order to allow BMW and its subsidiaries to create an executable version of such Open Source Software.
- 11.3 In the event of a breach of this Clause the Contractor shall - notwithstanding any clause in this Agreement limiting liability - indemnify and hold BMW harmless from and against all claims, damage, loss and costs and shall assume the defence against all claims, incurred by BMW arising out of the breach of this Clause. This indemnity obligation shall also apply in relation to all subsidiaries and distributors with regard to the claims asserted against them and the damage, loss and costs incurred by them. The costs of the legal defence shall also be borne by the Contractor if the matter concerns the mere claim of a right.
- 12. Acceptance**
- 12.1 If the IT project services consist of developing or adapting software, the developed or adapted programs shall be handed over to BMW in a form suitable for testing after a program test has been conducted at the Contractor.
- 12.2 BMW shall undertake the acceptance within four weeks following submission of the Contractor's "declaration of readiness for acceptance" and the handover of all documentation associated with the IT project services rendered. If the inspection of the Contractor's services requires any putting into operation or putting into use for test purposes, acceptance shall not be conducted until the tests have been successfully concluded.
- 12.3 Acceptance shall be conducted when all of the IT project services and criteria stipulated in the Description of Services have been fulfilled and the work is free from defects.
- 12.4 The acceptance shall be recorded in a formal acceptance certificate. However, there shall be no formal acceptance until the Contractor has removed any defects which may have been found. The removal of defects must be performed without undue delay and, at the latest, within a deadline set by BMW.
- 12.5 The documentation must be submitted for acceptance of the work results at the latest and is therefore a prerequisite for acceptance.
- 12.6 Payments by BMW do not mean that BMW has accepted the subject matter of the delivery.
- 12.7 If, after the IT project services have been provided free from defects, BMW fails to carry out the trial operation or to conduct acceptance for reasons for which BMW is responsible, the work shall be deemed to have been accepted two months after it was provided for acceptance.
- 13. Remuneration**
- 13.1 All prices are fixed prices and, unless otherwise agreed, they include all incidental costs (such as transportation and installation costs, customs duties, travel costs, surcharges, flat charges). The prices shall apply unchanged until all of the services to be rendered under the Agreement have been completed.
- 13.2 Unless otherwise provided, if the Contractor is obliged to perform work or to supply labour and materials, payment of the remuneration owed shall be due 30 days after acceptance.
- 13.3 Unless otherwise agreed, the remuneration shall, however, not be paid until after the subject matter of delivery has been received in accordance with the Agreement and following receipt by BMW of a proper and auditable invoice stating BMW's requisition number, purchase order number and supplier number.
- 13.4 For calculating when a payment is due, deliveries made before the agreed delivery date shall not be deemed to have been received until the agreed delivery date.
- 13.5 Insofar as deposits are agreed said deposits shall be made, at BMW's option, in return for a bank guarantee by a major Mexican bank or by a group guarantee. The guarantee must apply for any and all claims arising out of any failure to execute the Purchase Order in accordance with the Agreement, statements of account or warranty with a waiver of the defence of voidability, set-off and benefit of discussion as well as with any possibility of deposit excluded; however, it shall not exclude any further reaching claims. The defence of set-off is not waived to the extent that the Contractor's claim is not disputed by BMW, has become ripe for judgment or has been decided and become final and unappealable.
- 13.6 Payment shall be effected by bank transfer or by cheque. All payments are made subject to subsequent audit and the possible assertion of claims for payment back together with claims for interest. The Contractor cannot therefore invoke, for example, any lapse of undue enrichment.
- 13.7 The Contractor shall submit invoices in an auditable form, complying with the mandatory Mexican Tax Laws and Regulations (as per article 29-A of the Federal Tax Code). The Contractor must state the following details on its invoice; otherwise it will be rejected:
- Complete name and address of the Contractor and of the recipient of the goods or services
 - Digital seal from the tax authorities and from the tax payer
 - Contractor's tax or value added tax ID number
 - Consecutive invoice number
 - Issue date or invoice date
 - Time when the goods or services were delivered
 - Trade description of the goods / services
 - Quantity
 - Net amount
 - Unitary amount expressed in number
 - Total amount expressed in words or numbers
 - Tax rate, amount of tax
- 13.8 Any reduction in remuneration agreed in advance if not already taken into account in the remuneration.
- 13.9 The Contractor shall send original invoices to BMW's incoming invoice verification department of (of specified on the relevant

- Purchase Order) to its payment address. If requested by BMW, Contractor shall transfer all invoices electronically (e-invoicing)
- 14. Taxes**
- 14.1 Taxes include all current or future taxes, dues, benefits, costs, and other fees of any kind, as well as extra benefits such as interest rates, delayed charges, late fees, and late funds, late payment fines, and penalty payments that are due to be paid or are being paid under public law.
- 14.2 BMW and the Contractor are each separately responsible for meeting their fiscal obligations and accounts payable. If a party fails to satisfy their fiscal obligations and accounts payable and this failure results in losses, damages, or other detriments to the other party, the responsible party shall indemnify the other party against the same.
- 14.3 Insofar as withholding taxes are due for the amounts to be paid by BMW to the Contractor, BMW shall withhold these in accordance with applicable regulations and pay them to the responsible Mexican tax authority for the account of the Contractor which shall provide, as well, any information required by the applicable tax laws to BMW. Upon request by the Contractor where provided by the applicable Mexican tax regulations, BMW shall deliver the Contractor with a proper tax statement on the payment of withholding taxes for the account of the Contractor. Insofar as applicable double taxation agreements or other regulations provide for a reduction of or exemption from income tax withholding, BMW shall only withhold the reduced amount or shall only apply the exemption if the Contractor has presented BMW with a valid exemption certificate and other required documentation by the applicable tax laws, at least 10 banking days prior to the payment date. Alternatively, BMW shall deduct and withhold the withholding tax from the owed amounts that are to be paid to the responsible tax authority in accordance with the applicable tax laws.
- 14.4 The Contractor shall comply with all certification, information, documentation, and other obligations required for the application of reduced tax rates or exemptions in accordance with applicable double taxation agreements or other regulations in Mexico.
- 14.5 The Contractor shall carry all taxes that said Contractor generates domestically or abroad by purchasing, using, or manufacturing of goods or for the usage of services, as well as through business travel of own employees during the performance of the Agreement. These taxes are already included as costs in the price agreed upon with BMW as far as the Contractor does not possess a reimbursement, deduction, or refund claim to these taxes domestically or abroad. If such taxes are not included already in the price, the Contractor shall not additionally invoice BMW for these taxes. Legally owed value added taxes are exempt here from.
- 15. Assignment of Rights, Commissioning of Subcontractors**
- 15.1 The assignment of rights under the contractual relationship by the Contractor shall require the prior written consent of BMW.
- 15.2 The Contractor shall have a right of set-off against BMW's claims or a right to assert rights of retention only if and to the extent that the Contractor's claim is undisputed or its counterclaim has become final and absolute. BMW shall also have the right to offset claims, to which an affiliated company of BMW is entitled, against the Contractor's claims. BMW shall furthermore have the right to offset its claims against claims, to which the Contractor is entitled against an affiliated company of BMW.
- 15.3 The Contractor may subcontract only with the prior written consent of BMW.
- 16. Warranty**
- 16.1 Unless otherwise agreed, the warranty obligation shall be governed by the statutory provisions as applicable from time to time. BMW shall in any event be entitled to demand that the defect first be rectified free of charge or that the subject matter of delivery be delivered free from defects. If the Contractor is late with this, BMW can rectify the defect itself and demand reimbursement of the necessary expense.
- 16.2 Any notice of defects by BMW shall interrupt the warranty period with regard to the defective part delivered. The warranty period shall start to run afresh for the part concerned following the corresponding rectification of the defect.
- 16.3 If the IT project services to be rendered by the Contractor consists of developing or adapting software, the Contractor warrants that the software does not contain any functionality offering the possibility of weakening, circumventing or deactivating security functions, and of which BMW has not been notified in writing prior to acceptance. The Contractor particularly warrants that the software does not enable unauthorized third parties to access BMW systems or to access BMW data without the consent of BMW or by circumventing existing security features.
- 16.4 The Contractor warrants that, at the time when the risk passes, the data carriers to be delivered are free from viruses and free from defects in the material and free from manufacturing defects, which nullify or reduce the value or the fitness for the use stipulated in the contract.
- 17. Insurance**
- 17.1 With regard to the liability for personal injury and damage to property and economic loss due to implementation of the contract, the Contractor must ensure that there is adequate liability insurance and statutory worker's compensation/ employers liability insurance with reputable and financially sound insurers both on the merits and in quantum and must provide proof thereof upon request.
- 17.2 The following minimum sums insured apply to the above obligation to insure: A flat-rate of EUR 2,500,000 for personal injury and other damage (damage to property and/or economic loss).
- 17.3 Taking out insurances and concluding the above sums insured does not have the effect of limiting the Contractor's liability.
- 18. Intellectual Property Rights and Rights of Use**
- 18.1 The Contractor guarantees that the IT project services rendered by Contractor are free from third-party intellectual property rights, which could preclude or impair BMW's use of said IT project services and that it has the authority to pass on the corresponding rights of use.
- 18.2 The Contractor shall indemnify and hold BMW harmless from any and all third-party claims, including the claims of any copyright authors involved, which may be asserted against BMW because of the use of the IT project services rendered by the Contractor. This does not apply insofar as the Contractor neither knew nor could have known of the existence of rights of third parties. The Contractor shall, as far as possible, conduct any necessary legal disputes itself, in its own name and at its own cost. This is without prejudice to BMW's right to demand damages and to rescind the Agreement in accordance with the statutory provisions.
- 18.3 All of the rights of use under copyright law, industrial property rights and legal rights similar to intellectual property rights attaching to the IT project services rendered under this Agreement for work and services and created in connection with the implementation of the Agreement and attaching to all other written, machine-readable and other work results created in connection with this Agreement shall automatically pass to BMW upon creation without any further conditions and without any additional consideration. BMW shall be exclusively entitled thereto without any limitation in terms of geography, time and content and BMW can extend, assign, revise, adjust, modify, reproduce or publish the aforementioned without the consent of the Contractor.
- 18.4 Use of the IT project services rendered by the Contractor is free of charge for BMW. BMW is granted the right to apply for a patent for patentable development results.
- 18.5 The Contractor is not prevented from using the know-how acquired in the course of performing this Agreement for its own purposes, provided the intellectual property rights under Clause 18.1 are not interfered with and existing obligations to maintain secrecy are not breached. However, the Contractor may not use the work results created exclusively for BMW in performing this Agreement in its provision of services for any third parties.
- 19. Maintaining Secrecy, Advertising**
- 19.1 The Contractor undertakes to keep all commercial and technical information obtained from BMW in connection with the execution of the Agreement as well as all work results and IT project services secret. This shall not apply to the extent that it can be shown that the information concerned is in the public domain, comes into the public domain without any intent or negligence on the part of the Contractor, was lawfully obtained from a third party or if the Contractor already had the information.
- 19.2 This obligation of maintaining secrecy also extends to all employees and agents of the partner irrespective of the type and legal structure of the collaboration. The partner undertakes to impose corresponding obligations to maintain secrecy on this group of persons to the extent that this has not already been done. It shall also, in addition, take all reasonable precautions to prevent third parties from accessing the work results or the information obtained from BMW.

19.3 The Contractor may use its business relationship with BMW for advertising purposes only with BMW's prior written consent.

19.4 The above obligations under this Clause shall continue to endure beyond termination of this Agreement.

20. Data Protection

The Contractor shall ensure that all persons entrusted with the performance of this Agreement observe the statutory provisions on data protection. Any obligation to maintain data secrecy required under data protection law must be imposed on said persons before they first start their work and must be evidenced to BMW upon request.

21. Environment

21.1 While performing under the Agreement Contractor shall use the necessary resources (in particular materials, energy and water) efficiently and shall reduce the environmental impact (in particular with respect to waste, wastewater, air pollution and noise) to a minimum. This also applies to the effort and expense of transportation and logistics.

21.2 The Contractor shall ensure that all and any of its sub-contractors are contractually bound to comply with the terms of this Provision 21.

22. Social Responsibility

22.1 For BMW it is of paramount importance that corporate activities take account of the social responsibility to employees and society as a whole. This applies both to BMW itself and to its suppliers. BMW's and Contractor's aim shall be to comply with the Directives of the UN Initiative Global Compact (Davos, 01/99) and the principles and rights set approved by the International Labour Organisation (ILO) in its "Declaration on fundamental principles and rights at work" (Geneva 06/98). The following principles are of particular importance:

- Preservation of human dignity and human rights, ban on child and forced labour;
- Implementation of equal opportunities and family-friendly policies;
- No discrimination on the basis of religion, origin, nationality, age, handicap, marital status, sexual orientation, political affiliation, membership of a trade union or the like, gender and veteran status;
- The protection of indigenous rights;
- Ban on bribery and blackmail;
- Maintenance of adequate social working conditions;
- Protection from individual arbitrary personnel measures;
- Provision of conditions that enable employees to enjoy a reasonable standard of living;
- Positive and negative freedom of association;
- Maintenance of employability by basic and advanced training;
- Provision of information to personnel on the objectives, economic situation and current topics that affect the company and the personnel;
- Responsible action by all personnel in relation to the environment;
- Compliance with industrial health and safety standards;
- Compliance with current laws and regulations.

22.2 Contractor's aim shall be that all and any of its sub-contractors are contractually bound to comply with the terms of this Provision 22.

23. Termination

23.1 BMW can terminate the entire Agreement or parts thereof at any time.

23.2 If the Contractor becomes unable to pay, ceases to make payments or if a petition is filed for the opening of insolvency proceedings or of court composition proceedings over the assets of the Contractor or one of its owners, BMW can rescind the non-performed part of the Agreement without prejudice to other rights.

23.3 If the Contractor is responsible for the grounds for termination or if termination is effected under Clause 23.2 only such goods/services as have been rendered in accordance with the Agreement up until then and which are complete in themselves and evidenced have to be paid for to the extent that BMW can make use of said goods/services. This shall be without prejudice to any claims for damages by BMW.

23.4 If the Contractor is not responsible for the grounds for termination BMW shall reimburse the expenses, which are proven to have been incurred up until termination of the Agreement and which result directly as a result of the mandate, including the costs resulting from commitments which cannot

correspondingly be undone. The Partner shall not be entitled to any further claims for performance or damages by virtue of the termination. The intellectual property rights and/or rights of use attaching to the work results created up until the notice of termination shall pass to BMW in accordance with Clause 18.

24. Written Form

Any amendments, additions to and the termination of the Agreement are required to be in writing. This requirement of writing can be waived only by a declaration in writing.

25. Force Majeure

25.1 Neither Party shall be liable for any delay in performing or for failure to perform its obligations under a respective Purchase Order if the delay or failure results from an event that was not foreseeable by the affected Party at the time of execution of the respective Purchase Order, is unavoidable and outside the control of the affected Party, and for which the affected Party is not responsible (all together referred as "Force Majeure"), provided such event prevents the affected Party from performing the respective Purchase Order despite all reasonable efforts, and the affected Party provides notice to the other Party within two calendar days from occurrence of the respective event of Force Majeure.

25.2 If an event of Force Majeure occurs which exceeds thirty (30) calendar days either Party shall have the right to terminate the relevant Purchase Order forthwith by written notice to the other Party without liability to the other Party. Each Party shall use its reasonable endeavors to minimize the effects of any event of Force Majeure.

26. Labor Liability

26.1 The Parties enter into this GTC on its capacity as independent contractors, so each one of them will employ its own members, employees and staff in order to fulfill its obligations hereunder.

26.2 Accordingly, and for the purposes of Article 13 of the Federal Labor Act, both parties have sufficient elements to fulfill its obligations arising from the relationship with its employees, shall not be considered as intermediaries and for any reason the execution of the GTC shall be interpreted as establishment of labor relations between employees, workers and officials of BMW and the Contractor.

26.3 The parties agree to hold its counterpart safe and harmless of any controversy or claim that may arise due to conflicts related to employment or liability arising from the performance of the Agreement, Purchase Orders and this GTC, and to reimburse expenses including legal, that the parties have disbursed for this matter.

26.4 It is expressly agreed that the Contractor is and remains at all times the sole employer of its staff and therefore, responsible at all times for all obligations arising from the employment relationship with the staff in accordance with the Federal Labor Act, Social Security Act, Funds For Housing of the Employees Act (Ley del INFONAVIT) and other applicable laws.

26.5 For purposes of the provisions of Articles 15 and 15A of the Mexican Social Security Act, this GTC does not constitute a "contract for outsourcing", given that the staff assigned by the Contractor to perform the services under the Agreement, Purchase Orders and this GTC at the premises of BMW shall be under the supervision, direction and responsibility of the Contractor, so in this regard neither party is obligated to inform the content of this instrument to the Mexican Social Security Institute.

27. General Provisions

27.1 The Contractor shall mark the delivery items in the manner prescribed by BMW.

27.2 The legal relationship between the Parties and this GTC shall be governed and interpreted in accordance with the Mexican Laws, particularly with the Mexican Commercial Code (Codigo de Comercio), as well as the supplementary legal provisions of the Commercial Code. The application of the United Nations Convention on Contracts for the International Sale of Goods ("CISG") of 11th April 1980 is excluded.

27.3 Any dispute between BMW and the Contractor arising from, in connection, or related to this GTC or its performance, construction or interpretation, the Parties shall endeavor to resolve it by agreement through negotiations conducted in good faith.

27.4 In the event that a dispute arises between the Parties in regard to a Purchase Order, the Contractor shall not be entitled to withhold its obligations pending the resolution of such dispute and shall continue to perform its obligations in terms of this GTC.

- 27.5 The invalidity or unenforceability of any term or of any right arising pursuant to this GTC and/or the Purchase Orders shall not adversely affect the validity or enforceability of the remaining terms and rights, and the GTC and/or Purchase Orders shall be given effect as if the invalid, illegal or unenforceable provision had been deleted and replaced by a provision with similar economic effect to that of the deleted provision if this can be achieved by another provision.
- 27.6 Amendments and additions must be made in writing. The form requirement can be waived by a written declaration only.
- 27.7 Any dispute arising out of or in connection with this Agreement shall be submitted solely to the jurisdiction of the courts of the State of San Luis Potosí, S.L.P., with the express waiver to any other forum to which the Parties may be entitled by any means.