

Appendix to the “International Terms and Conditions for the Purchase of Production Materials and Automotive Components” (IPC) for BMW Mexico

For the supply of the BMW plant in the United Mexican States (“Mexico”), BMW SLP, S.A. DE C.V., the BMW Group International Terms and Conditions for the Purchase of Production Materials and Automotive Components (“IPC”) shall apply unless otherwise agreed in this document; the IPC are available on the partner portal of the BMW Group (b2b-portal, <https://b2b.bmw.com>) or will be sent by BMW upon request.

A.

Clause 7.1 of the IPC is not valid for deliveries and services to BMW SLP, S.A. DE C.V., because the approach of self-billing invoices is legally not permitted in Mexico.

B.

Clause 7.2 of the IPC shall be replaced by the following paragraph:

A commercial invoice shall be submitted by Seller. The original invoice shall be sent to Buyer’s accounts payable department:

BMW SLP, S.A. DE C.V.
Accounts Payable
Boulevard BMW 655
Parque Industrial Desarrollo Logistik II
79526 Villa de Reyes,
San Luis Potosi,
MEXICO

At the request of BMW, all invoicing documents shall be transferred in electronic form (“e-invoicing”). The possible transfer variants will be specified by BMW.

Due to legal requirements, all invoicing documents of **suppliers located in Mexico (“local suppliers”)** have to be provided in the XML format (CFDI 3.3) and shall be uploaded to <http://bmw.ateb.com.mx>.

All other **suppliers located outside of Mexico (“rest of world suppliers”)** shall transfer invoice documents in electronic form using BMW’s format VDA 4938 T2 via BMW EDI.

Such invoices shall comply with the requirements of the national law referred to in clause 23.1, including in particular, but not limited to, the requirements of the applicable taxation legislation of the relevant country.

The invoices shall in particular include the following data:

- Seller’s full corporate name, full registered address and registered number;
- Buyer’s full corporate name and full registered address;
- Buyer’s supplier number of the invoicing party (8-digit); and, if different:
- Buyer’s supplier number of the Seller (8-digit) and/or

- Buyer's supplier number of the payee (8-digit);
- Origin of the goods;
- VAT rate and VAT amount, total charge excluding VAT;
- reference to tax exemptions;
- Charges split according to VAT-rates;
- Date of invoice;
- Running unique sequential invoice number;
- Specification (quantity with scale unit/type) of delivery or service rendered;
- In case of prepayments/advance payments: the date of receipt of remuneration;
- Any reduction of charges agreed in advance, if not already accounted for; lower VAT value has to be stated;
- Buyer's Purchase Order number / Buyer's Purchase Order modification number;
- Buyer's item number
- Delivery note number indicated by Seller;
- Date of delivery of the Goods (explicitly stated on the invoice); delivery address / point of unloading;
- In case of re-delivery relating to prior delivery by Buyer: Delivery note number indicated by Buyer with respect to the said prior delivery;
- Value of consignment (price per item and total price);
- Price unit, currency unit;
- In case of national deliveries within Mexico:
 - o Buyer's RFC
 - o Seller's RFC
 - o UUID of the invoice
- In case Seller is located within the European Union:
VAT identification number of Seller
- Price of packaging (per unit of Goods);
- Number of packages, weight (gross/net).

For all mandatory data necessary to ensure an automated incoming invoice processing at BMW, Seller has to use data provided on the Supplier Information Platform available at:

<https://b2b.bmw.com> -> applications -> SLP – Info-Platform for Accounts Payable

Depending on the nature of different business cases, the invoices need to be issued separately (e.g. for direct material, investment goods, services...). Furthermore, for claims and for revaluation separate documents need to be created. Credit notes for claims need to include the material share as well as the additional costs – the necessary information is shown in the Supplier Information Platform within the B2B portal. The number of invoice line items is limited to a maximum defined in the Supplier Information Platform.

Additionally, all invoices issued by Seller under these Terms and Conditions shall comply with all applicable tax requirements under the laws of Mexico.

Invoices which fail to meet the requirements of this provision may be rejected by Buyer. Seller will be notified and costs arising therefrom will be passed on to Seller. In that event the term allowed for payment shall begin on the day of receipt of the new, due and proper invoice, which meets the requirements of this provision.

C.

Clause 7.4 a) IPC shall not apply.

D.**New clause 7.12** IPC

If withholding tax falls due on the amounts to be paid by Buyer to Seller, the withholding tax shall be withheld by Buyer in accordance with the applicable law and regulations in effect and paid to the relevant tax authority for Seller's account.

Upon request of Seller and in compliance with applicable law and regulations, Buyer shall provide Seller with a valid tax certificate or tax official document evidencing payment of withholding taxes on behalf of Seller.

If an applicable double taxation treaty or another regulation or law provides for a reduction or exemption from withholding tax deduction, Buyer shall only withhold the reduced amount or apply the exemption if Seller has provided Buyer with a valid tax exemption certificate at least 20 banking days before the payment date. Otherwise Buyer shall deduct and withhold the withholding taxes from the amounts due, which must be paid to the relevant tax authority to comply with the tax laws and regulations applicable and in effect. Seller shall meet all its certification, information and documentation obligations and other duties required for the application of reduced tax rates or exemptions under the applicable double taxation as well as the applicable laws and regulations.

E.

Clause 11.8 IPC shall be supplemented as follows:

Buyer may only claim liquidated damages pursuant to clause 11.8 if the unlawful restraint of competition has been established by a final decision of a competent authority or court. For the purposes of possible actions for damages (irrespective of their legal grounds) Seller shall be bound by that decision.

F.**New clause 11.9** IPC:

Seller and Buyer are independent contracting parties and nothing in the purchase order or in this terms and conditions will make either party the employee, agent or legal representative of the other for any purpose. The purchase order and/or the terms and conditions do not grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. Seller will be solely responsible for all employment and income taxes, insurance premiums, charges, liabilities and other expenses it incurs in connection with its performance of the purchase order and/or terms and conditions, except as expressly provided in a written agreement signed by Buyer. All employees and agents of Seller or its respective contractors are employees or agents solely of Seller or Seller's contractors, and not of Buyer, and are not entitled to employee benefits or other rights accorded to Buyer's employees. Buyer is not responsible for any obligation with respect to employees or agents of Seller or its contractors and therefore Seller agrees to hold Buyer, its shareholders/partners, affiliates, directors, managers, officers, employees and advisors, free and harmless from any law suits or claims filed against Buyer in connection with compliance of such obligations of Seller.

G.

Clause 18 shall be supplemented as follows:

Pursuant to Articles 66, 67 of the Federal Mexican „Ley de Caminos y Puentes“, BMW has to notify to its freight forwarders the value of the cargo of each and any given shipment in order to ensure the freight forwarder’s liability for loss and damage to the cargo. The Supplier agrees to such notification and is aware that thus the prices agreed between BMW and the Supplier under this contract/agreement will be disclosed to the freight forwarder. BMW represents that its freight forwarder is obliged to confidentiality.

H.

New clause 19.4 IPC:

All insurance policies that Seller shall obtain under this Terms and Conditions, shall be obtained with an insurance company duly authorized to operate in Mexico. Buyer may, at its discretion, accept insurance policies issued by companies authorized to operate in the United States of America or other countries.

I.

Clause 23.2 IPC shall be replaced by the following:

The parties agree that the courts sitting in Mexico City, Mexico shall have exclusive jurisdiction for any action or proceedings commenced under any supply contract/purchase order (including these Terms and Conditions). This choice of forum agreement does not apply to claims pursuant to clause 11.8 IPC nor to any other contractual or statutory cartel damage claims.
