

**SISTERHOOD AGREEMENT BETWEEN THE MUNICIPALITY OF MONTERREY OF THE
STATE OF NUEVO LEÓN OF THE UNITED MEXICAN STATES AND THE CITY OF CAPE
TOWN OF THE WESTERN CAPE PROVINCE OF THE REPUBLIC OF SOUTH AFRICA**

The Municipality of Monterrey of the state of Nuevo León of the United Mexican States and the City of Cape Town of the Western Cape Province of the Republic of South Africa, hereinafter referred to as “the Parties”.

CONSIDERING the interest to strengthen their friendship ties and cooperation;

ACKNOWLEDGING their intention to develop collaborative activities, under the law provisions of the United Mexican States and the Republic of South Africa;

DECLARING their decision to widen their relations of collaboration through the proper legal framework;

CONVINCED of the importance to establish mechanisms which contributes to the development and strengthening of the bilateral cooperation, as well as the necessity to execute projects and actions which shall have effective influence in their economic and social development;

Have agreed to the following:

ARTICLE I

Objective

The objective of this Agreement is to formalize the sisterhood between the Parties to foster understanding between them and the institutions of their respective Governments and

intensify common efforts to promote the exchange of experiences and execution of common activities

ARTICLE II

Areas of Cooperation

To reach the objective of this Agreement, the Parties commit themselves to develop cooperative activities, specially directed, but not limited to the following areas:

- a) economic development;
- b) urban development;
- c) culture;
- d) tourism, and
- b) any other area of cooperation agreed upon by the Parties.

ARTICLE III

Modalities of Cooperation

The Parties agree that the activities of cooperation which are referred to in this Agreement shall be carried out through the following modalities:

- a) foster economic growth, entrepreneurship and innovation;
- b) promote sustainable, inclusive and healthy mobility;

1/14.

- c) business participation promotion of respective cities in fairs, expositions and congress in both Parties;
- d) develop joint programs in order to bring mutual comprehension and support, in cultural, touristic, performance coproductions, etc., and
- e) any other modalities of cooperation agreed upon by the Parties.

The operation of this Agreement shall not be conditioned, to the Parties, to establish projects in all the modalities of cooperation, referred to in this Article.

The Parties shall not be obligated to collaborate in those activities where internal prohibitions exist or derived by the law, institutional guidelines or customs.

ARTICLE IV

Competence

The Parties commit themselves, to carry out the modalities of cooperation, referred to in Article III of this Agreement, in accordance to their respective competences, regulation and institutional guidelines.

ARTICLE V

Specific Cooperation Projects

The Parties may conclude specific cooperation projects, which shall detail activities to be carried out, and must specify, in each case, the following aspects: objectives and activities to develop; work calendars; profile, number and duration of the assigned

personnel; financing; responsibility of each Party; allocation of human and material resources; evaluation mechanism, and any other information deemed necessary.

ARTICLE VI

Coordination and Follow Up Mechanism

In order to establish a mechanism of supervision and coordination of the activities carried out under this Agreement, as well as to assure the best conditions for its execution, the Parties designate the following areas as responsible authorities:

-On behalf of the Municipality of Monterrey, to the Secretariat of Economic Development;

-On behalf of the City of Cape Town, to the International Relations Office.

The responsible authorities shall remain in communication, in order to evaluate the activities derived from the application of this Agreement and shall be responsible for the following functions:

- a) identify the areas of common interest in order to elaborate and formulate the specific cooperation projects;
- b) orientate, organize and formulate the relevant recommendations in order to fulfill the activities of this Agreement;
- c) receive, examine and approve the development reports regarding progress in the cooperation areas of this Agreement, and
- d) any other functions agreed upon by the Parties.

147

ARTICLE VII

Financing

The Parties shall finance the activities referred to in the present Agreement with the assigned resources in their respective budget according to the availability and the provisions of their applicable legislation. Each Party shall cover the expenses related to its participation, except in case that alternate financial mechanisms may be used for specific activities, if considered appropriate.

ARTICLE VIII

Information, Material and Protected Equipment

The Parties agree that the information, material and protected equipment classified for national security or for foreign relation reasons of whichever Parties, in accordance with their national legislation, shall not be subject to transfer within this Agreement.

When undertaken cooperation activities pursuant to this Agreement, any information, material and equipment which require or could require protection and classification is identified, the Parties shall inform it to the competent authorities and establish in writing, the corresponding measures.

The transference of information, material and equipment, which is not protected or classified, but which exportation is controlled by one of the Parties, it shall be done accordingly with the applicable national legislation and should be duly identified, as well as the use or subsequent transference. If any of the Parties considers it necessary, measures shall be taken to prevent its non-authorized transference or re-transference.

114

ARTICLE IX

Intellectual Property

If as a result of activities of cooperation carried out in accordance with this Agreement, products of commercial value and or rights of intellectual property are generated, these shall be ruled by the applicable national legislation, as well as by the International conventions, which are binding for the United Mexican States and the Republic of South Africa.

ARTICLE X

Personal Assigned

The personnel assigned by each Party for the execution of the cooperation activities derived from this Agreement, shall remain under the direction and dependence of the institution to which they belong, and shall not create any labor relation with the other Party, which in no case shall be consider as a substitute employer.

The Parties shall carried out the procedures needed before their competent authorities in order to provide the necessary facilities for the entry, stay and departure of participants who are officially involved in the cooperation activities derived from this Agreement. Such participants shall be subject to the immigration, tax, customs, sanitary and national security provisions of the receiving country and may not partake in any activity other than that pertaining to their functions. The participants shall leave the receiving country, in accordance with its laws and regulations.

The Parties shall promote that its personnel involved in the cooperation activities have medical, personal damage and life insurance, so that, if a damage results from the development of such activities, that deserves repair or indemnification, this shall be covered by the corresponding insurance company.

ARTICLE XI

International Instruments

The cooperation referred to in this Agreement shall not affect the rights and duties which the Parties have acquired regarding to other international instruments.

ARTICLE XII

Disputes Settlement

Any difference or divergence derived from the interpretation or application of this Instrument shall be resolved by the Parties by mutual agreement.

ARTICLE XIII

Final Provisions

This Agreement shall enter into force from the date of its signature and shall remain in force for indefinite duration.

This Agreement may be modified by mutual consent of the Parties, formalized by written communications, specifying the date of its entry into force.

Either of the Parties may, at any moment, terminate the present Agreement by a written notification given to the other Party with ninety (90) days in advance.

The termination of this Agreement shall not affect the conclusion of the cooperation activities, formalized while it was in force.

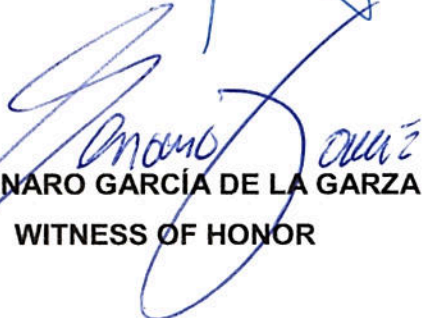
Signed in the city of Monterrey, Nuevo Leon, Mexico, on November 22 of two thousand sixteen in two original copies in the Spanish and English languages, both text being equally authentic.

**FOR THE MUNICIPALITY OF
MONTERREY, OF THE STATE OF
NUEVO LEÓN OF THE UNITED
MEXICAN STATES**

**FOR THE CITY OF CAPE TOWN OF THE
WESTERN CAPE PROVINCE OF THE
REPUBLIC OF SOUTH AFRICA**


C. ADRIÁN EMILIO DE LA GARZA SANTOS
MAYOR


C. PATRICIA DE LILLE
MAYOR


C. GENARO GARCÍA DE LA GARZA
WITNESS OF HONOR

SIGNATURES THE FOREGOING, MATCH THE SISTERHOOD AGREEMENT BETWEEN THE MUNICIPALITY OF MONTERREY OF THE STATE OF NUEVO LEON OF THE UNITED MEXICAN STATES AND THE CITY OF CAPE TOWN OF THE WESTERN CAPE PROVINCE OF THE REPUBLIC OF SOUTH AFRICA, SIGNED DATED ON NOVEMBER 22, 2016, WHICH CONSISTS OF 8 USEFUL FOLIO WRITTEN BY YOUR FRONT.