

Annex I

Executive Summary

1.1 Background and Objectives

Deloitte & Co. S.A. ("DT Argentina") was engaged by AUTOMOTORES HAEDO S.A. to perform an audit on sales transactions, as defined by instructions received from Daimler AG / Daimler Group.

This limited assurance engagement has an objective to analyze if the sampled transactions are in compliance with the anti-corruption, anti-bribery or other applicable local laws, including the FCPA regulations.

Our work was performed applying agreed-upon procedures with AUTOMOTORES HAEDO S.A. Local regulations require that we comply with ethic requirements, as well as planning and executing the procedures that allow us to prepare this special report.

Our work consisted in applying certain procedures previously agreed upon with you. Therefore, our work related to the information mentioned in the preceding paragraph was limited, according to what was requested by you, to applying the procedures indicated below. The sufficiency of these procedures for achieving the objectives of this report is exclusively the responsibility of the Directory and Management of AUTOMOTORES HAEDO S.A. Therefore, we make no assertion related to the sufficiency of the procedures indicated below for the specific purposes of this report or any other purpose. Our work was not an audit designed to provide an opinion as defined by local audit regulations over the information provided to us, nor have we analyzed the integrity of these for the purposes of this special report, being this also the responsibility of AUTOMOTORES HAEDO and therefore we make no assertion in that sense.

Our work was not, and was not designed to be, a full evaluation of the Internal Control and Compliance process of AUTOMOTORES HAEDO S.A. and therefore we did not perform all the procedures that would be required for said evaluation. Our work was based on samples taken in a given period. If we would have applied a different sampling method, or applied it over a different period, our findings could be different. Our work was based on the assumption that all information provided to us by AUTOMOTORES HAEDO S.A. is precise, complete, legitimate and free of fraudulent actions and other illegal acts, and on this basis we have taken into account the formal appearance and structure of the mentioned information.

1.2 Scope of Work

The scope of our work has been limited by terms of reference set out in the engagement letter dated September 9th, 2014. The scope of this work included the sales transactions occurred between 01.09.2013 and 30.08.2013

Our procedures applied to the selected samples primarily comprised:

- Approval process
- Price calculation, invoice, incoming payments
- Third Parties involvement (selection, professional level, documentation)

During our work, we performed the following procedures:

Audit field 1: Sales transactions

For a sample of transactions selected according to Deloitte's methodology, with a minimum of 10 cases:

1. Verify if terms and conditions agreed differ significantly from general contractual terms and conditions of standard customer contracts. If yes, supporting documentation, explanation and approvals are available.
2. Verify if underlying sales contract and discounts have been properly approved and documented. Compare general approved discounts approved by management for actual financial year (respectively from previous year(s)) in order to verify whether specific customers are beyond general approved discounts (e.g. fleet discounts, discounts to specific type of car etc.) Request for every variance respective approvals, documents etc. (compare approval signature with signature authorization list).
3. Check if there are unusual or unclear items in the price calculation and/or contracts include any unusual items such as after sale fees or issues that may be interpreted as additional discounts.
4. Review if essential information such as price, discounts, quantities etc. are properly reflected on the invoice.
5. Check if anything of value is provided, which may not be properly reflected in the contract.
6. Check if incoming customer payments correspond to the amount agreed in contracts and invoiced to the customer.

Audit field 2: Tenders

Not applicable. Presently all tenders are managed by Daimler, and AUTOMOTORES HAEDO S.A. solely delivers the units to the client, collecting a fixed fee.

Audit field 3: Third parties

1. Check if service provider exists and offers the service AUTOMOTORES HAEDO's paid for (ability, capacity, expertise in the industry) to evaluate whether selection is substantially justified.

2. Check if the involved third parties are carefully selected by the AUTOMOTORES HAEDO S.A.'s (including criminal background check, handling of identified government relations, known conflict of interests).
3. Check if business transactions with third party providers are documented in a transparent way, especially have checked if valid and updated contracts with service providers are in place, indicating roles and responsibilities and remuneration details. Verify if contracts include inflated fee services or other unclear items.
4. Obtain and review evidence for the services provided (business purpose, documentation of services provided).
5. Review if items on invoices are appropriate in terms of amounts and transparency.
6. Check if invoices are properly approved by the relevant functions and supported by sufficient documentation (underlying contract, delivery note etc.).
7. Verify if payments are disbursed in an appropriate and transparent manner (method of payment: cash payment) and approved by the relevant functions.

Audit field 4: Other

1. Obtain a list with sales made and discounts granted. Based on business judgement, select 5 transactions with deep discounts (e.g. 5 highest discounts granted to individuals) and verify the accuracy of the transaction.
2. Obtain a list with cash payments and check payments made. Select 5 transactions (of each, check and cash payments) based upon business judgment (e.g. 5 highest payments made to individuals, business partners residing abroad etc.) and verify the accuracy of the transaction (i.e. proof of services rendered, approved business partner, contract in place, approvals in line with authorization matrix etc.).
3. Obtain a list of expense accounts focusing on accounts such as "consulting", "marketing", "sponsoring", "donations", "other", "commissions", "travel & entertainment", "free goods", "rebates", "discounts" etc. for 2013 and 2014 and make a selection of at least 10 items. Verify if the accuracy of the transactions (e.g. if transactions have been properly approved, services have been rendered, payments have been made in accordance with contracts etc.). Obtain and review evidence for the services provided (business purpose, documentation of services provided).
4. Discuss with management if the company had been charged in the past with compliance issues (the dealer/ distributor was blacklisted itself in the past and/ or actual).
5. Obtain a list with spare parts sold and verify if spare parts have been granted free of charge or with an unusual high discount. Select 5 samples based upon business judgment and review the accuracy.
6. Obtain a list with cars granted free of charge/ discounted rates for rental or test drives and verify the appropriateness of the discounts given/ length a car has been granted. Select 5 samples.
7. Provide a list of local anti-corruption and anti-bribery laws (if any), including requests need to be fulfilled by Dealer/ Distributor. Verify if AUTOMOTORES HAEDO S.A. is acting according to the local anti-corruption and anti-bribery laws by stating each request and respective audit result (fulfilled/ not fulfilled).

The following tasks and areas were out of scope:

- Any review related to concepts associated with DSA and DP.
- Review sales transactions over any other company of the Daimler Group. The work was performed only over AUTOMOTORES HAEDO S.A.
- Review the CMS process in AUTOMOTORES HAEDO S.A. The audit was only performed for a sample of Sales transactions of the dealer, for the period September 2013 – August 2014.
- Review any information previous to September 2013, or not related to the procedures stated previously.

1.3 Methodology

In the course of our fieldwork, the following activities were performed:

- Conducted Kick off Meeting on October 20th , 2014 with:
 - Diego Cuda - Administrative Manager
- Obtained and reviewed supporting documentation to support compliance with local laws and regulations as well as FCPA and other related laws and regulations.
- Conducted daily interviews with the officers mentioned in the kick-off meeting to further understand the procedures applied by AUTOMOTORES HAEDO S.A related to compliance / sales transactions.
- Closing meeting was held on October 23rd 2014 with:
 - Diego Cuda - Administrative Manager

1.4 Findings

We have identified the following opportunity for improvement in the internal control of Automotores Haedo SA. Nothing in the documentation we reviewed as part of our limited assurance engagement causes us to believe that the transactions reviewed, which have been conducted in the period from 09.01.2013 to 08.31.2014, are not in compliance with the anti-corruption, anti-bribery or other applicable local law, including the FCPA regulations.

- During our review we noted that the signatures by Management documenting review and approval of the operation are made on the document “Seguimiento de pedidos” that follows the steps and key dates of the operation. However all information related to cost, discounts, payment conditions, etc. are included in the document “Nota de pedido”. These documents are usually filed together in the sale file, and in our samples we found both in all cases. However, we consider it would be an improvement to also have the “Nota de pedido” signed by the final approver to ensure proper documentation of review and approval.

All other steps of the procedure seem to be adequate and we have no comments about them.

Management response:

Management takes this observation as a continuous improvement opportunity and decided to modify the document "Nota de Pedido" so that it is signed by the final approver to ensure proper documentation of review and approval.

Estimated completion: November 2014