

Purchasing Conditions Austrian Magna companies

1. General Terms / Scope

- 1.1 The legal relationship between the SUPPLIER and the Austrian Magna companies ("MAGNA") shall be determined by the following general terms and conditions ("Purchasing Conditions") and, if any, additional terms agreed between the SUPPLIER and MAGNA.
- 1.2 The Purchasing Conditions apply exclusively; contravening or differing terms and conditions of the SUPPLIER do not apply, unless MAGNA has accepted such conditions in writing. The Purchasing Conditions apply if MAGNA, while being aware of SUPPLIER's contravening or differing terms and conditions, accepts and pays for deliveries made by the supplier
- 1.3 The Purchasing Conditions also apply for all future orders by MAGNA even if MAGNA does not make reference to the Purchasing Conditions in each order. The Purchasing Conditions hold until MAGNA issues new Purchasing conditions.
- 1.4 The Purchasing Conditions also apply for orders placed with the SUPPLIER by other German Magna companies, without having to be included again.

2. Conclusion of the Contract Changes and Amendments

- 2.1 Requests by MAGNA to the SUPPLIER (e.g. Request for Quotation) are merely invitations to the SUPPLIER to submit an offer.
- 2.2 The SUPPLIER has to align the quantity and quality perfectly with those requested by MAGNA in his offer to MAGNA, possible discrepancies have to be expressly stated.
- 2.3 Supply contracts, orders and acceptances, order releases and other transactions between MAGNA and the SUPPLIER, as well as any changes and amendments thereof have to be made in writing. Orders, acceptances and order releases may also be issued by electronic data-transfer.
- 2.4 Non-written (Verbal) agreements made prior to, at or after the conclusion of the contract, especially subsequent amendments or changes of the Purchasing Conditions (including this in-writing-provision-clause), as well as any kind of ancillary or collateral agreements are subject to written confirmation by MAGNA.
- 2.5 Offers and cost estimates of the SUPPLIER are legally binding for four weeks after receipt by MAGNA and costs for such estimates and offers shall not be reimbursed by MAGNA, unless otherwise agreed in writing.
- 2.6 If the SUPPLIER does not accept MAGNA's order in writing within fourteen days after receipt, MAGNA has the right to cancel its order.
- 2.7 Contracts between MAGNA and the SUPPLIER always come into force with the content of the written orders of MAGNA as well as with the content of these purchasing conditions irrespective of the submitted offers.
- 2.8 MAGNA may request changes relating to the construction and manufacturing process of the product to be made by the SUPPLIER, to an extent that is reasonably acceptable to the SUPPLIER. The impact of these changes especially with respect to increases or reductions in costs and to delivery dates, are to be resolved in an appropriate and mutually agreeable manner. Any changes made by the SUPPLIER are subject to prior written approval by MAGNA.

3. Product Price and Payment Terms and Conditions

- 3.1 If product prices are not determined at the time of MAGNA's order, the SUPPLIER shall fill in the product prices into the copy of the order that shall be returned to MAGNA. A valid contract shall come into force, only once MAGNA has accepted the product prices in writing (acceptance of the order) All additional charges (customs, packaging, transportation, insurance) have to be stated separately in the SUPPLIER's offer and shall be borne by the SUPPLIER (except the applicable value added tax (VAT)), unless otherwise agreed in writing. Any increases in product prices including additional charges are subject to prior written approval by MAGNA.
- 3.2 Unless the parties have agreed otherwise in writing, MAGNA shall make the payment of the order after receipt of the appropriate invoice either on the 15th of the second month following the delivery with 2 % discount or pay the net amount on the 25th of the second month following the delivery.
- 3.3 MAGNA may exercise its setoff and retention rights in accordance with the applicable law.

4. Delivery Dates, Passing of the Risk, Transport

- 4.1 The delivery dates and terms as defined in the order or the order releases are binding.
- 4.2 Unless other delivery terms have been agreed upon in writing, delivery to MAGNA shall be made DDP Incoterms 2010 to MAGNA or otherwise to a location specified by MAGNA. In case of DDP deliveries or if MAGNA has agreed to bear the transportation costs, then MAGNA has the right to change the delivery term from DDP to FCA Incoterms 2010. If MAGNA has changed to FCA, the transportation costs will be deducted from the price. If MAGNA bears the transportation costs, the SUPPLIER must choose the most suitable, convenient and commonly used means of transportation and packaging, unless MAGNA determines the means of the transportation and the packaging it wishes.
- 4.3 The date of arrival of the product and the shipping documents to MAGNA or to the designated location shall be considered as timely delivery at the agreed delivery date, if DDP was agreed on. This also applies if FCA has been agreed on; in this case, however, the SUPPLIER has to ship the products, taking into consideration the time usually required for shipment and transportation.
- 4.4 In case of call orders, MAGNA shall specify the amount of a single order and the date of these partial deliveries. Any notification by MAGNA to the SUPPLIER concerning the estimated amounts of delivery do not bind MAGNA to issue the respective release orders. Release orders may also be issued by electronic data transfer according to the standards applicable in the automotive industry.
- 4.5 Should the SUPPLIER deliver more or less products than ordered, and/or in case of early delivery, MAGNA reserves the right to reject the delivery at SUPPLIER's expense or to amend the invoice accordingly.
- 4.6 The SUPPLIER is obligated to immediately inform MAGNA about any foreseeable delays in delivery past the determined or fixed dates and/or any other performance obligations. Simultaneously, the SUPPLIER must inform MAGNA of the reasons for and the duration of the delay. Physical acceptance of the delayed delivery of the

products, shall not be considered a waiver of MAGNA's rights with respect to the delayed delivery.

5. Delayed Delivery

With respect to SUPPLIER's delayed deliveries, the provisions of the applicable law shall apply.

6. Force Majeure

In case of Acts of God, civil unrest, governmental or administrative actions or other unforeseeable, inevitable events, the parties shall be released from their obligations for the duration and to the extent of such disturbance.

7. Notice of Defects

MAGNA shall notify the SUPPLIER of defects of the delivered products within 10 (in words: ten) working days after such defects have been detected within the proper course of business. To this extent, the SUPPLIER waives the objection to delayed notification of defects. However, in case MAGNA and the SUPPLIER agreed on JIT ("Just-In-Time") or JIS ("Just-In-Sequence") delivery, MAGNA's obligation to examine the delivered products at the time of delivery and to notify the SUPPLIER of defects of the delivered products shall be limited to the examination of the quantitative specifications of the respective delivery note as well as to damages, created through the transportation of the products, which are visible at the time of delivery.

Further, the obligation to examine the delivered products and to notify the SUPPLIER is waived and the SUPPLIER expressly waives the objection to any notification of defects that is not properly conducted according to Sec 377 UGB.

Payment shall not be considered as acceptance by MAGNA of the defective products.

8. Warranty

- 8.1 Unless stated otherwise in the Purchasing Conditions, the relevant law concerning defects or non-performance (including improper title to the products) shall apply. Deviations from the agreed product specifications shall be considered material non-performance of the SUPPLIER's obligations, unless such deviations are immediately remedied on their own or if MAGNA is able to remedy the defect without any noticeable effort.

MAGNA has the right to choose the type of supplementary-performance. MAGNA is entitled to claim cancellation – if the requirements for cancellation or price reduction are met - and/or in case of insignificant defects ("geringfügigen Mängeln"). Should the SUPPLIER, after a request by MAGNA, not remedy the defect immediately, should he/she be otherwise in default with the remediation work or should the first remediation attempt fail, MAGNA has the right, under urgent circumstances, to perform the remedy work itself or hire a third party to do so, especially in order to avoid bearing higher damages or in the event of imminent danger. The respective remediation costs shall be borne by the SUPPLIER. Furthermore, the SUPPLIER shall bear additional remediation costs arising out or in connection with the defects, especially costs of transportation, assembly, disassembly, administrative costs and handling charges (at MAGNA's level, OEM's level and/or OEM's dealer's level) as well as all other costs in connection with the remedy of the defect. In addition, the SUPPLIER shall also bear costs associated with MAGNA's participation in "Remedy-of-Defect-Programs" such as "Contained Shipping Level" and "Executive Champion Programs" or similar programs of its customers, particularly those of car manufacturers. Statutory or other contractual claims arising out or in connection with the supply of defective products remain unaffected.

- 8.2 Unless otherwise agreed in writing, the warranty period shall be 36 (in words: thirty-six) months. The warranty period begins with the handover of the final product, in which SUPPLIER's product will be built in, to the (end-)consumer, and ends at the latest 42 (in words: forty-two) months after delivery to MAGNA or to a third party specified by MAGNA. In case the product is subject to a formal acceptance test, the warranty period shall commence upon execution of the take-over record by the SUPPLIER and MAGNA; if the acceptance test is being delayed without the SUPPLIER being responsible for such a delay, the warranty period shall commence at the latest 12 (in words: twelve) months after the SUPPLIER has provided the product for the acceptance test.

- 8.3 For products which were not operational during the inspection of the defective products or the remediation work, the respective warranty period shall be prolonged by the period of such operational interruption.

- 8.4 In cases of replacement of products or if a repaired product shows the same defect or a defect resulting from the repair, the respective warranty period shall recommence.

- 8.5 All other claims due to breach of contract or breach of other obligations remain unaffected

9. Product Liability / Indemnification / Insurance

- 9.1 Should MAGNA be subject to a claim based on product liability caused by a defect of the product delivered by the SUPPLIER, then the SUPPLIER is obligated to hold MAGNA harmless and shall indemnify MAGNA of all claims brought by third parties. Should MAGNA's liability be due to an act of negligence or intent, the SUPPLIER is only then liable if he/she acted in that manner him/herself.

- 9.2 Furthermore, and subject to clause 9.1, the SUPPLIER is obligated to reimburse MAGNA for all costs and expenses concerning legal fees and recalls. MAGNA shall inform the SUPPLIER - as far as practically possible and reasonably expectable - about the extent of such recall and allow the SUPPLIER comment on this matter. The SUPPLIER is obligated to provably maintain recall and liability insurances with an adequate insured amount for each personal injury / material-damage. Otherwise, the relevant laws shall apply.

10. Performance of Work

Persons engaged (hired) by the SUPPLIER for the performance of his/her obligation under the respective contract and which will be physically present at MAGNA's premises or at premises of third parties specified by MAGNA shall comply with the respective work regulations of MAGNA or such third parties specified by MAGNA.

11. Retention of Title and MAGNA-Materials

- 11.1 MAGNA will accept a "simple" retention of title, if such a retention right is requested by the SUPPLIER. However, MAGNA has the right to sell the product within the ordinary course of business, without accepting any "extended" retention of title or any other form of retention of title.

- The SUPPLIER is obligated to inform MAGNA immediately about any rights a third party might have concerning the product. This also applies for any (potential) assignment of receivables by the SUPPLIER to third parties with respect to the products.
- 11.2 MAGNA shall remain the owner of any materials, parts, containers and/or custom packaging provided by it to the SUPPLIER. Those items shall only be used in accordance with the agreed terms of use. The processing and/or assembling of such items will be carried out on MAGNA's behalf. MAGNA shall become co-owner of products which are comprised of MAGNA's materials and parts. The proportion of the co-ownership shall be the proportional to the value of MAGNA's items within the final product. The items provided by MAGNA shall be kept in a proper condition by the SUPPLIER.
- 12. Assignment, Setoff, Right of Retention**
- 12.1 The SUPPLIER is not entitled to partially or entirely assign his contractual rights (including its receivables) to third parties or to allow third parties to collect receivables without prior written approval by MAGNA. Should the SUPPLIER cede his/her receivables against MAGNA without MAGNA's approval, then MAGNA is still entitled to pay the respective amounts to the SUPPLIER.
- 12.2 The SUPPLIER has the right of set-off and retention only if such rights are undisputed or confirmed by a legally enforceable judgment. The right of retention must furthermore be based on the same contractual relationship.
- 13. Tools and Packaging**
- 13.1 MAGNA reserves ownership to the tools if MAGNA or a third party specified by MAGNA provides the SUPPLIER with such tools. Should the tools be manufactured by the SUPPLIER or a third party engaged by the SUPPLIER, then MAGNA will acquire the ownership upon paying 80 % of the agreed price of the tools if MAGNA did not acquire ownership prior to that. In all other cases, MAGNA shall become co-owner in relation to the agreed price of the tools and the payment it has made so far. The SUPPLIER is obligated to keep the tools in a fiduciary capacity. The tools should exclusively be used for the manufacturing of the products ordered by and delivered to MAGNA. The SUPPLIER is obligated to mark all tools in a way that the ownership of MAGNA or third parties specified by MAGNA is properly visible.
- 13.2 The SUPPLIER is obligated to insure at his/her own expense all MAGNA- or third party owned tools to the extent of the original value against property damage. The SUPPLIER herewith assigns all claims based on such insurances to MAGNA. MAGNA herewith accepts the assignment.
- 13.3 The SUPPLIER is obliged to carry out all necessary and required maintenance and inspection work concerning the tools as well as all necessary repair work including the procurement of replacement parts at his own expense, in timely manner. The risk of accidental loss of the tools on the premises of the SUPPLIER shall be borne by the SUPPLIER. The SUPPLIER shall immediately inform MAGNA of any disturbances regarding the tools as soon as such events have occurred.
- In case of suspension of delivery, or in any case of non-performance, actual insolvency proceedings regarding the property of the SUPPLIER, actual insolvency of the SUPPLIER, or the termination of the supply contract by MAGNA, MAGNA has the right to reclaim the tools (and the tools of the specified third parties) after paying the outstanding costs, if any. The SUPPLIER has neither the right of retention nor any other right to keep the tools.
- Should the SUPPLIER have mandated a third party to manufacture the tools or in case such the tools remain at the premises of such third party for the manufacturing of the product or parts thereof, the SUPPLIER is obligated to conclude an agreement with this third party that grants the same rights towards the tooling as stated in this clause 13, in case the tools are fully paid. The SUPPLIER assigns his claims regarding the tools against the third party, as well as other claims concerning the tools to MAGNA, as far as MAGNA made payment for these tools to the SUPPLIER or to the third party.
- 13.4 As long as payments of the SUPPLIER to third parties, concerning the tools, are not fully made by the SUPPLIER and in case of the termination of the contract between the SUPPLIER and MAGNA, the commencement of insolvency proceedings against the SUPPLIER and in case of the insolvency of the SUPPLIER, MAGNA has the right to pay the outstanding tool costs directly to the third parties instead of paying it to the SUPPLIER. In such event, the SUPPLIER herewith assigns all claims, concerning the tools, inclusive title of ownership, it might have against the third parties to MAGNA. The SUPPLIER herewith accepts such an assignment.
- 13.5 The SUPPLIER shall be not allowed to relocate the tools without prior written consent from MAGNA.
- 13.6 Clauses 13.1 till 13.5 shall also apply for the period of spare parts supply according to clause 17. Clause 13.3 shall also apply accordingly for any packaging material paid by MAGNA.
- 14. Industrial Property Rights of Third Parties/Background-Foreground Rights, Know How**
- 14.1 The SUPPLIER is obligated to indemnify MAGNA against all third party claims arising out or in connection with the delivery of the product or the performance of SUPPLIER's contractual obligations concerning the infringement of industrial property rights of such third parties and shall reimburse MAGNA for all costs and expenses MAGNA might incur with respect to such infringements.
- 14.2 Clause 14.1 shall not apply if the SUPPLIER has manufactured the product in accordance with drawings, models or similar descriptions or information that were provided by MAGNA and the SUPPLIER did not know or was unable to know that industrial property rights of third parties will be infringed.
- 14.3 The SUPPLIER shall inform MAGNA about the prior or current use of any published or unpublished industrial property rights which are owned by him/her or licensed to him/her relating to the product.
- 14.4 The SUPPLIER herewith transfers the results of his development work made in connection with the development of the product including industrial property rights to the exclusive ownership of MAGNA, as far as MAGNA ordered the development work. As far as MAGNA did not pay for the development work, the SUPPLIER grants herewith to MAGNA a nonexclusive, timely and geographically unrestricted, irrevocable, assignable and sub-licensable right-of-use (license), free of charge, which also includes the right to any kind of use, duplication and amendment of industrial property rights of any kind.
- 14.5 The SUPPLIER herewith grants MAGNA a non-exclusive, assignable, sub-licensable, timely and geographically unrestricted and irrevocable right of use (license), free of charge concerning the know-how, and/or industrial property rights of the SUPPLIER which existed prior to the contractual relationship with MAGNA ("Altschutzrechte"), in order to enable MAGNA to use the result of the development work as described in clause 14.4.
- 14.6 The application for registration and the assertion of industrial property rights concerning development work paid by MAGNA and which are a result of the cooperation between the SUPPLIER and MAGNA shall be made solely by MAGNA upon MAGNA's unilateral decision. Inventions made by employees of the SUPPLIER during the term of the contractual relationship resulting from their activities under the contract must be claimed by the SUPPLIER accordingly. In case the development work is not paid by MAGNA, the SUPPLIER shall have the right to apply for registration. However, MAGNA shall be at least entitled to a right of use in accordance to clause 14.4.
- Any remuneration the employees are entitled to for having made their invention shall be paid by either MAGNA or the SUPPLIER depending on who is the employer of those employees. Otherwise, the mandatory relevant laws shall apply.
- 14.7 The above mentioned rights granted to MAGNA will remain applicable even in the event of a premature termination of the contract between MAGNA and the SUPPLIER. These rights granted to MAGNA relate to all (partial) results concerning development results at the time of the termination.
- 15. Hazardous Goods and Materials/Notification**
- 15.1 Together with the offer, the SUPPLIER shall present MAGNA with a duly completed material safety data sheet in accordance with Sec 25 of the Chemicals Act 1996 ("Chemikaliengesetz 1996") and an accident procedure sheet (Transport) concerning all materials (substances, their contents) and objects (goods, parts, technical equipment, uncleaned packages) that might cause perils for life and health of human beings, the environment or for any objects based on the materials' nature, their characteristics, or their physical condition and, therefore, require, subject to the relevant provisions, a special treatment concerning packaging, transportation, storage, access, and waste management. In case of any changes to the materials or the legal provisions, the SUPPLIER shall present MAGNA with an updated data sheet. The SUPPLIER is obligated to deliver to annually and not upon request deliver a valid "long-term supplier's declaration" which contains the product number and the code number (index of goods, external trade statistic) to MAGNA.
- 15.2 If the SUPPLIER has made changes to the product which it also delivers to MAGNA, the SUPPLIER shall inform MAGNA of such changes, irrespective of any other information requirements.
- 15.3 The SUPPLIER has to provide MAGNA with all information required in accordance with the Product Safety Act ("Produktsicherheitsgesetz") and which are relevant for the assessment of effects on the safety and health of end-consumers. The following information shall be provided:
- the attributes of the product including its content, packaging, assembly instructions, installation, maintenance and terms of use.
 - the impact on other products, if the product is expected to be used alongside other products.
 - the presentation, marketing, warning notices, instructions for use and recycling information as well as other product-related information.
 - any kind of group of end users which might be exposed to a greater risk if they use the product.
- 15.4 The SUPPLIER shall make the information required for the registration in accordance with the European Community Regulation 1907/2006 regarding the registration, evaluation, authorisation and restriction of chemicals ("REACH") and, if already registered, the respective registration confirmations available to MAGNA. This shall also apply to information and/or registration confirmations regarding the Council Directive 67/548/EEC on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labeling of dangerous substances ("Directive 67/548/EEC"). The SUPPLIER shall comply with his/her duties and obligations under REACH and/or Directive 67/548/EEC.
- Concerning the delivery of the product and/or performance of other obligations, the SUPPLIER has to apply the latest state-of-the-art, the applicable safety requirements, the provisions generally applicable in the automotive industry (e.g. VDA-standards) and all provisions under the applicable Public Law (e.g. "Used-Car Automotive Directive" ("Altfahrzeugverordnung"), Consumer Goods Regulations, "Chemicals-Ozonlayer-Directive", IMDS-security data, etc.), and especially the EU-Directive as of September 18, 2000, regarding the ban of "heavy metal" ("Schwermetallverordnung") (2000/53/EG) and the "Restriction of the use of certain Hazardous Substances" (2002/525/EG) and the agreed technical data and other agreed specifications. As far as the products are electronic parts, the products shall be automotive certified in accordance with "AEC-Q".
- 15.5 The SUPPLIER shall make all effort to ensure that its (sub-) suppliers and all other suppliers of the supply chain, including the original producer, are being bound in accordance with this clause 15.4.
- 16. Quality Management / Spare Parts and Documentation**
- 16.1 The SUPPLIER has to establish and prove a process-oriented quality-management-system (minimum standard: ISO 9001, however, a ISO/TS 16949 certification in line with the provisions of ISO/TS 16949 shall be achieved). MAGNA reserves the right to audit the efficiency of the SUPPLIER's quality-management system at any time on the SUPPLIER's premises. The SUPPLIER agrees to comply with the VDA-script "Protection of Quality in the Automotive Industry- Supplier Assessment, Master Sampling" ("Sicherung von Qualität in der Automobilindustrie – Lieferantenbewertung, Erstmusterprüfung") as well as the VDA-script "Protection of Quality of Deliveries/Supplier Selection/Manufacturing Process/Product Release/Quality Performance in Series" ("Sicherung der Qualität von Lieferungen/Lieferantenauswahl/Qualitätssicherungsvereinbarung/Produktionsprozess- und Produktfreigabe/Qualitätsleistung in der Serie/ Deklaration von Inhaltsstoffen") in their latest version. Only upon MAGNA's acceptance of the master sample, may the SUPPLIER start the serial production and delivery. Independent of such an acceptance, the SUPPLIER shall always verify the quality of the products him-/herself and shall perform outgoing product inspections. In case, the automotive manufacturer requires different or additional standards, the introduction of such inspections will be mutually agreed upon by the SUPPLIER and MAGNA.
- 16.2 The SUPPLIER shall make all effort to pass on the obligations according to clause 16.1 to its suppliers and verify compliance within the supply chain.
- 16.3 Drawings, CAD-data, description etc., attached or referenced in the order, shall be binding for the SUPPLIER. The SUPPLIER is obligated to examine them for any kind of discrepancies. In case the SUPPLIER detects actual or assumes potential discrepancies, the SUPPLIER shall immediately inform MAGNA in writing. If the SUPPLIER does not immediately inform MAGNA, the SUPPLIER cannot claim at a later stage that such discrepancies exist. The SUPPLIER is solely responsible for

- drawings, plans and calculations made by the SUPPLIER even if MAGNA approved them.
- Upon the delivery of tools or equipment to MAGNA, the SUPPLIER shall also at the latest upon delivery present documentation concerning the handling, service, maintenance and repair of the tools and the equipment. The SUPPLIER shall be responsible for the CE-labelling.
- 16.4 Concerning special vehicle parts ("dokumentationspflichtige Teile") which are marked in the technical documents as such parts or which are defined as special vehicle parts by a special agreement, the SUPPLIER is obligated to document in special recordings when, in which way, and by whom these special vehicles parts were tested and the results of the required quality tests. The records and the documentation of the results must be properly kept and maintained for 15 (in words: fifteen) years by the SUPPLIER and shall be available upon request by, MAGNA. The SUPPLIER shall comply with the VDA-script "Special Vehicle Parts at Automotive Manufacturers and their Suppliers, Performance and Documentation" ("Dokumentationspflichtige Teile bei Automobilherstellern und deren Zulieferanten, Durchführung und Dokumentation") in its latest version. Sub-suppliers of the SUPPLIERS shall adhere in the same manner as the SUPPLIER.
- 16.5 As far as public authorities which are responsible for vehicle safety or emission standards and provisions etc., request to inspect the respective production sites and documents of MAGNA, the SUPPLIER shall, on demand of MAGNA, grant authorities the identical rights MAGNA has towards the SUPPLIER and shall support them with SUPPLIER's best efforts.
- 16.6 The SUPPLIER is obligated to forward all required declarations about relevant origin of the products for customs ("zollrechtlicher Ursprung") to MAGNA in a timely fashion. The SUPPLIER shall be liable for any disadvantages incurred by MAGNA due to the improper or delayed provision of the required "Supplier-Declaration", unless the SUPPLIER is not responsible for such delay or impropriety. Upon request of MAGNA, the SUPPLIER has to prove the details concerning the origin of the products by him via the relevant customs document confirmed by the competent customs authorities.
17. **Spare Parts**
- The SUPPLIER is obligated to supply the products over a period of 15 (in words: fifteen) years, commencing with the end of the delivery of serial parts, to MAGNA. If the manufacturing of these products is no longer economically feasible, then the SUPPLIER may supply a substitute. The last price valid for the serial delivery plus additional costs for custom packaging, if any, shall apply to the spare parts for a period of three years after the end of (serial-) delivery. The price for spare parts shall be determined new after such three years on the basis of a cost analysis.
18. **Handing-Over and Use of Working Appliance Equipment**
- Samples, models, drawings or other documents, that were made by the SUPPLIER in accordance with instructions provided by MAGNA shall become the property of MAGNA upon payment by MAGNA. Effective upon payment, the SUPPLIER keeps those drawings etc. on MAGNA's behalf, who shall become owner of such models, drawings etc. upon payment. These working appliances shall only be used by the SUPPLIER in order to execute the orders made by MAGNA and not for the benefit of any third party. Without prior written approval by MAGNA, the access of third parties to such documents, appliances etc. is and shall be prohibited. The SUPPLIER shall carefully keep the working appliances free of charge and at his own expense and risk. Upon MAGNA's request, the SUPPLIER shall return them at any time without having any kind of set-off or retention right unless agreed to by the Parties.
19. **Changes of the product and other changes**
- The SUPPLIER shall be not allowed to change the product (including any changes to its specifications, its design and/or the materials), the production processes and/or the production location without prior written consent from MAGNA.
20. **Confidentiality**
- 20.1 The SUPPLIER is obligated to keep all information disclosed by MAGNA or the companies affiliated with MAGNA in accordance with Sec 228 para 3 UGB strictly confidential and to treat them as business and trade secret and to ensure that third parties will not have access to such information. This does not apply, if this information:
- (a) is publicly available or
 - (b) is provided to the SUPPLIER by a third party which was entitled to provide such information and which was not subject to a confidentiality obligation or
 - (c) was already known to the SUPPLIER prior to the receipt of the information.
- 20.2 The SUPPLIER is obligated to immediately inform MAGNA in case he/she is aware that third parties gained access to confidential information or in case such confidential information was destroyed or lost.
- 20.3 The SUPPLIER agrees not to make use of the confidential information outside the scope of the professional relationship with MAGNA without prior written consent from MAGNA.
- 20.4 This confidential obligation applies to all persons engaged by the SUPPLIER independent of their contractual relationship.
- The SUPPLIER is obligated to inform and bind all those persons and employees ("Erfüllungs- und Verrichtungsgehilfen") or any other third parties which have access to the confidential information to their confidentiality obligation. The SUPPLIER will keep the number of such persons as small as possible with respect to the confidentiality.
- 20.5 This confidentiality and use restriction obligation applies to the duration of the business relationship and for a period of 10 (in words: ten) years after the termination thereof.
21. **Compliance**
- 21.1 The SUPPLIER is obliged to comply with the applicable legal provisions in connection with the business relationship with MAGNA. This includes the existing legal provisions at the following places: Registered office of the SUPPLIER as well as the production site of the SUPPLIER. The SUPPLIER is obliged to comply with all the principles and regulations of MAGNA Code of Conduct and Ethics (<http://www.magna.com/investors/corporate-governance/corporate-governance-documents>).
- 21.2 The SUPPLIER commits him-/herself not to (i) offer, promise or grant any benefit to a public official for that person or a third party for the discharge of a duty; (ii) offer, promise or grant an employee or an agent of a business for competitive purposes a benefit for him-/herself or a third party in a business transaction as consideration for an unfair preference in the purchase of goods or commercial services; (iii) demand, allow him-/herself to be promised or to accept a benefit for him-/herself or another in a business transaction as consideration for an unfair preference to another in the competitive purchase of goods or commercial services; (iv) violate any applicable anticorruption regulations and, if applicable, not to violate the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.
- 21.3 The SUPPLIER commits him-/herself (i) not to assist or permit any working conditions that do not meet the applicable laws and industry standards, and to comply with the conventions of the International Labour Organisation (ILO conventions); (ii) to comply with applicable environmental laws.
- 21.4 Upon MAGNA's request, the SUPPLIER confirms in writing that he adheres to the obligations under this Clause 21 and that the SUPPLIER is not aware of any breaches of the obligations under this Clause 21. In case of reasonable suspicion that the obligations under this Clause 21 were not met, MAGNA has the right, after notifying the SUPPLIER regarding the reasonable suspicion, to demand of the SUPPLIER in accordance with applicable law to permit and participate - at his/her own expense - auditing, inspection, certification or screening to verify compliance with the obligations under this Clause 21. The proceedings referred to can be executed by MAGNA itself or a third party who is bound to secrecy and are exercised in compliance with applicable laws.
- 21.5 In the event that the SUPPLIER, despite respective notification, violates obligations under this Clause 21 and can not prove that the respective violation has occurred without fault or that adequate measures were taken to prevent respective violations from being made, MAGNA has the right to withdraw from or terminate individual or all supply contracts. These termination rights also apply in the event of serious one-time violations unless the SUPPLIER is not at fault. In addition, existing contractual and/or legal termination rights continue to exist independently and unlimitedly.
- 21.6 The SUPPLIER shall indemnify MAGNA and MAGNA's employees from any liability claims, demands, damages, losses, costs and expenses that result from a culpable violation of this Clause 21 by the SUPPLIER.
- 21.7 The SUPPLIER shall make all effort to pass on the provision of this Compliance Clause 21 to his suppliers and to bind his suppliers accordingly and verify compliance with the provisions within the supply chain regularly.
22. **Advertisement**
- 22.1 The use of requests for quotations, orders, acceptance of orders by MAGNA and the connected correspondence as such for promotion purposes is strictly prohibited.
- 22.2 Only upon prior written approval by MAGNA shall the SUPPLIER be allowed to engage in promotional activities regarding the business relationship with MAGNA.
23. **General Provisions**
- 23.1 In case the SUPPLIER ceases to make payment or apply for insolvency or non-judicial settlement proceedings or other judicial proceedings are applied for, MAGNA shall be entitled to rescind from the respective contract with respect to the part not yet fulfilled. MAGNA shall have the right to set off with (i) a receivable MAGNA might have towards an affiliated company of the SUPPLIER as defined under Sec 228 para 3 UGB or with (ii) a receivable an affiliated company of MAGNA as defined under Sec 228 para 3 UGB might have against the SUPPLIER or against an affiliated company of the SUPPLIER as defined under Sec 228 para 3 UGB against a receivable the SUPPLIER has towards MAGNA.
- 23.2 Any provision which is or shall be invalid shall not affect the validity and enforceability of other valid provisions. The Parties agree that such invalid provisions shall be replaced by a valid provision which, in its commercial and legal effect, is approximate so close to the one which shall be substituted.
- 23.3 The place of the performance shall be the place to which the product is delivered to by the SUPPLIER.
- 23.4 The competent court for MAGNA shall be the exclusive place of jurisdiction for all disputes arising from or in connection with the business relationship. MAGNA has the right but not the obligation to choose any other jurisdiction which would otherwise be the competent court under the applicable law.
- 23.5 The laws of the Republic of Austria shall exclusively apply, excluding the provisions of private international law, unless otherwise agreed to in writing. The application of laws on the international sale of goods, in particular the Convention of the United Nations of 11.04.1980 on Contracts regarding the International Sale of Goods (CISG) is hereby excluded.
- 23.6 These Purchasing Conditions are being drafted in German and English. In case of a discrepancy of the two versions, the German version shall prevail. The English version shall only be considered for translation convenience purposes.

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