

## General Purchasing Conditions of the 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 purchasing 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 also 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. These Purchasing Conditions hold until MAGNA issues new Purchasing Conditions.
- 1.4 The Purchasing Conditions also apply for orders placed with the SUPPLIER by other Austrian Magna companies, without having to be included again.

### 2. Conclusion of the Contract (Orders and Acceptance) and Changes and Amendments

- 2.1 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 and order releases may also be issued by electronic data-transfer.
- 2.2 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.
- 2.3 Offers and cost estimates of the SUPPLIER are legally binding for four weeks after receipt by MAGNA. Expenses for such offers, cost estimates and test certificates shall not be reimbursed by MAGNA, unless otherwise agreed in writing.
- 2.4 The SUPPLIER has to confirm MAGNA's order immediately, latest within fourteen days after receipt in writing, otherwise MAGNA has the right to revoke its order.
- 2.5 Contracts between MAGNA and the SUPPLIER always come into force with the content of the written orders by MAGNA as well as with the content of these Purchasing Conditions irrespective of the submitted offers.
- 2.6 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 as well as 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 comes into force, only once MAGNA has accepted such product prices in writing. All additional charges (customs, package, transport, 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 the increase of 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 for the delivery after receipt of the appropriate invoice either on the 15th of the second month following the delivery with a 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 different delivery terms have been agreed in writing, delivery shall be made DDP Incoterms 2010 to MAGNA or 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, advantageous 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 and release 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 does not bind MAGNA to accept the respective delivery. Call orders may also be issued through 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, MAGNA shall be released from its 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 delivered products with the quantitative data of the respective delivery note and to damages noticeable through visual inspection upon 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 (including improper title to the products) shall apply. Deviations from the agreed product specifications shall be considered as material contractual breach of 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 remediation of defects. MAGNA is entitled to claim cancellation ("Wandlung") – even if the requirements for cancellation or price reduction are met – and/or in case of insignificant defects ("geringfügigen Mängeln"). In case the SUPPLIER does not immediately remedy the defect after being requested to do so by MAGNA, or should the SUPPLIER 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, especially in order to avoid 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 of or in connection with the defects, especially costs of transport, 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 which are 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 of or in connection with the supply of defective products remain unaffected.

- 8.2 Unless otherwise expressly 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 ("förmliche Abnahme"), the warranty period shall commence upon execution of the take-over record by the SUPPLIER and MAGNA; if the formal acceptance is 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 formal acceptance.

- 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 the 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. In cases of strict liability this shall only apply if the SUPPLIER is at fault.

- 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 to 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. In other respects, the relevant laws shall apply.

### 10. Performance of Work

Persons and third parties engaged/hired by the SUPPLIER for the performance of its obligation under the respective contract, who 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 of 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.

- 11.2 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.

11.3 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 proportional to the value of MAGNA's items within such 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 its 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 assign its 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 respectively the third party specified by MAGNA reserves ownership to the tools which MAGNA provides the SUPPLIER with. Should the tools be manufactured by the SUPPLIER or a third party engaged by the SUPPLIER, then MAGNA will at latest acquire the ownership upon paying 80 % of the agreed price of the tools. 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. Should the tools remain on the premises of the SUPPLIER, and if the transfer of the actual possession of the tools in accordance with § 929, para. 1 BGB has not occurred yet, the transfer of the actual possession ("Übergabe") to MAGNA will be legally constructed by the SUPPLIER keeping the tools for MAGNA ("Besitzkonstitut"). If a handover has already taken place, the SUPPLIER is obligated to keep the tools in a fiduciary capacity. The tools shall 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 its 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 its 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 default, actual insolvency proceedings regarding the assets 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 (also the tools of the specified third parties) after paying the outstanding price of the tools, 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 tools remain at the premises of a 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 MAGNA the same rights towards the tools as stated in this clause 13, in case the tools are fully paid. The SUPPLIER assigns its claims regarding the tools against the third party, as well as other claims concerning the tools to MAGNA, to the extent 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, in case of impairment of performance, 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 price of the tools 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 it or licensed to it relating to the product.

14.4 The SUPPLIER herewith transfers the results of its 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 non-exclusive, 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 as described in clause 14.4 (sentence 1, second half).

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. In other respects, the 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 § 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 to the legal provisions, the SUPPLIER shall present MAGNA with an updated data sheet. The SUPPLIER is obligated 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 § 4 para. 1 of the Equipment and Product Safety Act ("Geräte- und Produktsicherheitsgesetz"), which are relevant for the assessment of effects on the safety and health to end-consumers. The following information shall be provided:

- the attributes of the product including its content, packaging, assembly instructions, installation, maintenance and term 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 EEC European Community Regulation No. 1272/2008 on classification, labelling and packaging of substances and mixtures on the approximation of laws regulations and administrative provisions relating to the classification, packaging and labeling of dangerous substances ("Regulation (EC) No 1272/2008"). The SUPPLIER shall comply with its duties and obligations under REACH and/or (Regulation (EC) No 1272/2008).

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" ("Alt-Autorichtlinie"), Consumer Goods Regulation ("Bedarfgüterverordnung"), "FCKW-Halogen-Verbotsordnung", 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 of June 27, 2002 (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 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 SUPPLIER's quality-management system at any time on 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/Qualitätssicherungsverfahren/Produktionsprozess - und Produktfreigabe/Qualitätsleistung in der Serie/ Deklaration von Inhaltsstoffen") in its 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 itself and shall perform outgoing product inspections. In case, the automotive manufacturer requires different or additional standards, the introduction 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.
- 16.4 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.
- 16.5 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 must 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.
- 16.6 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.
- 16.7 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 imperfection. Upon request by MAGNA, the SUPPLIER has to prove the details it has given concerning the origin of the products by means of the relevant information sheet confirmed by the competent customs authorities.
17. **Spare Parts**
- The SUPPLIER is obligated to supply the product over a period of 15 (in words: fifteen) years, commencing with the end of the delivery of serial parts, to MAGNA. If the product cannot be produced within economically reasonable cost, 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 3 (in words: three) years after the end of (serial-) delivery. The price for spare parts shall be determined new after such 3 years on the basis of a cost analysis.
18. **Handing-Over and Use of Working Appliances**
- Fixtures, samples, models, drawings or other documents ("Working Appliances") 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 borrows those Working Appliances from MAGNA. 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, at its own expense and risk, keep the Working Appliances free of charge and in good care. 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 not be 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 by MAGNA.
20. **Confidentiality**
- 20.1 The SUPPLIER is obligated to keep all information disclosed by MAGNA or the companies affiliated with MAGNA as defined under § 189a no. 8 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 probably already known to the SUPPLIER prior to the receipt of the information.
- 20.2 The SUPPLIER is obligated to immediately inform MAGNA in case it 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 - to the extent not agreed otherwise by separate contract - not to make use of the confidential information outside the scope of the contractually agreed purpose without prior written consent by 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 or any other third parties who 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 obligated 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 (<https://www.magna.com/about-magna/world-class-manufacturing/our-suppliers/magna-supplier-code-of-conduct-and-ethics>).
- 21.2 The SUPPLIER commits itself 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 itself 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 itself to be promised or to accept a benefit for itself 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 itself (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) and (ii) to comply with applicable environmental laws.
- 21.4 Upon MAGNA's request, the SUPPLIER confirms in writing that it 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 its 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 case the SUPPLIER is in contact with a Government Official for MAGNA, discussing or negotiating, or SUPPLIER engages a third party to do so, SUPPLIER is obligated (i) to inform MAGNA in advance and in writing, clearly defining the scope of the interaction, (ii) upon request, to provide MAGNA with a written record of each conversation or meeting with a Government Official and (iii) to provide MAGNA monthly a detailed expense report, with all original supporting documentation. A "Government Official" is any person performing duties on behalf of a public authority, government agency or department, public corporation or international organization.
- 21.6 In the event that the SUPPLIER, despite respective notification, violates obligations under this clause 21 and cannot 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.
- 21.7 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.
- 21.8 The SUPPLIER shall make all effort to pass on the provision of this Compliance clause 21 to its suppliers and to bind its suppliers accordingly and verify compliance with the provisions within the supply chain regularly.
22. **Information- and Cyber-Security**
- 22.1 SUPPLIER expressly warrants that it will implement and maintain appropriate technical and organizational measures and other protections for the proper security of all information or data belonging to MAGNA (including, without limitation, not loading any confidential information provided by MAGNA to the SUPPLIER on (a) any laptop computers or (b) any portable storage media that can be removed from SUPPLIER's premises unless in each case such data has been encrypted and such data is loaded onto the portable storage media solely for the purpose of moving such data to off-site storage.
- 22.2 SUPPLIER will use commercially reasonable efforts to prevent password theft or loss or unauthorized access to or use of any data or information of MAGNA and SUPPLIER shall notify MAGNA promptly of any password theft or loss or unauthorized access or use of any data or information of MAGNA. SUPPLIER will enforce safety and physical security procedures with respect to its access and maintenance of confidential information or data of MAGNA that are (i) at least equal to industry standards for such types of locations, and (ii) which provide reasonably appropriate technical and organizational safeguards against accidental or unlawful, loss, alteration or unauthorized disclosure or access to confidential information or data of the MAGNA. SUPPLIER warrants that it shall have processes and security procedures in place to ensure that its information systems are free from viruses and similar defects. SUPPLIER's systems shall not contain any virus, Trojan horse, worm, time bomb or other computer programming routine, device or code that could reasonably be anticipated to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or information of the MAGNA.
- 22.3 SUPPLIER's information systems shall not contain any malware, backdoor or other technological routine, device or code that could adversely affect the security or confidentiality of MAGNA's systems, information or data. SUPPLIER will take all reasonable measures to secure and defend its location and equipment against "hackers" and others who may seek, without authorization, to modify or access SUPPLIER's or MAGNA's systems or the information found therein. SUPPLIER will periodically test its systems for potential areas where security could be breached.
- 22.4 SUPPLIER agrees that it shall inform MAGNA by telephone call of any cyber-security incident, which impacts access to data or information of MAGNA, as soon as reasonably possible but in any event within twenty-four (24) hours of SUPPLIER discovering such cyber-security incident.
- 22.5 SUPPLIER shall (i) provide MAGNA with a summary of known information about such cyber-security incident, (ii) exert commercially reasonable efforts to attempt to remedy the effects of such cyber-security incident, (iii) shall provide reasonable information about the cyber-security incident and response upon request by MAGNA, and (iv) within two (2) weeks of completion of the investigation of the cyber-security incident, provide a report to MAGNA outlining: a description of the incident, the cases of such events and how SUPPLIER has mitigated against future events of a similar kind, the timeline of the incident, the suspected perpetrators, what information or data of MAGNA may have been affected, or any financial impact to MAGNA. Any corrective actions identified as contributing to cyber-security incident shall be implemented no later than two (2) months after the completion of the investigation for such incident.
- 22.6 SUPPLIER shall indemnify and hold MAGNA harmless from and against all liabilities, specifically losses and damages, arising from any information or cyber-security incident of SUPPLIER's information systems. In the event that MAGNA has suffered a loss as a result of any cyber-security incident of SUPPLIER's system, SUPPLIER shall only be entitled to receive payment for deliveries after and to the extent of, and in proportion to, completion of appropriate investigations related thereto by MAGNA

and subject to all indemnification obligations of SUPPLIER, and all set-off rights of MAGNA related to such cyber-security incident.

- 22.7 Delay in payment of deliveries made by the SUPPLIER that is caused by a cyber-security incident of SUPPLIER's system is not default in payment.
- 22.8 MAGNA has the right, either directly or through a reputable third party engaged by MAGNA at its own expense, to visit SUPPLIER's premises once per calendar year in order to review and audit on SUPPLIER's business operations related to the SUPPLIER's goods or services in terms of technical infrastructure, information or data systems interaction, organization, quality, quality control and personnel engaged in providing goods and services for MAGNA.

### **23. Advertisement**

- 23.1 The use of requests for quotations, orders, acceptance of orders by MAGNA and the connected correspondence as such for promotion purposes is strictly prohibited.
- 23.2 Only upon prior written approval by MAGNA shall the SUPPLIER be allowed to engage in promotional activities regarding the business relationship with MAGNA.

### **24. General Provisions**

- 24.1 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 § 189a no. 8 UGB or with (ii) a receivable an affiliated company of MAGNA as defined under § 189a no. 8 UGB might have against the SUPPLIER or against an affiliated company of the SUPPLIER as defined under § 189a no. 8 UGB against a receivable the SUPPLIER has towards MAGNA.
- 24.2 Any provision which is or shall become 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 to the one which shall be substituted.
- 24.3 The place of the performance shall be the place to which the product is delivered to by the SUPPLIER.
- 24.4 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.
- 24.5 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.
- 24.6 These Purchasing Conditions are being drafted in German and in 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.

Version: 08/2017