

General Conditions of Purchasing and Supply

The UK Magna Group Company issuing the Order ("the Company")

1. **DEFINITIONS:** In these conditions and all other related documents, the following words and phrases shall apply:

"Group Companies" shall mean any company which is for the time being a subsidiary or a holding company of the Company or a subsidiary of any such company (as "subsidiary" and "holding company" are defined in the Companies Act 1985 as amended) or which is an associated company of any such company (as "associated company" is defined in the Income and Taxes Act 1988 as amended) and group company shall be construed accordingly.

"Change of Control" shall mean a) the sale, lease, or exchange of a substantial proportion of the Supplier's assets used for the production of the Goods; b) the sale or exchange of a controlling interest in the shares of the Supplier.

"Drawings" shall mean models, plans, photographs, samples, pattern specifications, computer aided design tapes and technical data of all description whether oral, written or by electronic data transmission.

"Effective Date of Termination" shall mean the date upon which termination of the Order pursuant to clause 18 shall take effect in accordance with clause 29.

"Goods" shall mean the goods stated on the Order.

"Intellectual Property Rights" shall mean trademarks, trade dress, patents, copyrights, trade secrets, know-how and industrial design rights.

"Materials" shall mean substances, preparations or articles as defined by Reach.

"OEM" shall mean Original Equipment Manufacturer.

"Order" shall mean the purchase order or other associated documentation submitted to the Supplier in respect of which the Terms apply.

"Price" shall mean the price shown on the Order (fully inclusive of all taxes) or as otherwise agreed in writing between the parties.

"Programme" shall mean the Company's contract with its customer for the supply of goods which include the Goods.

"REACH" shall mean the European Union Regulations concerning the Registration Evaluation Authorization and Restriction of Chemicals.

"Supplier" shall mean the person firm or company on whom the Order for Goods or Services is placed.

"Services" shall mean the services to be provided by the Supplier pursuant to the Order.

"Suppliers Manual" shall mean the requirements and procedures set out in the supplier's manual of the Company (as amended from time to time by the Company) to which the Supplier is required to adhere.

"Terms" shall mean these general conditions of purchasing and supply.

"Tooling" shall mean tools, jigs, dies, fixtures, moulds, gauges, patterns, plant, and equipment whether of the Company, any of its Group Companies, or customers.

2. **AGREEMENT** The Company hereby agrees to purchase and receive, and the Supplier agrees to sell and deliver the Goods and/or Services specified in the Order or in documents delivered pursuant hereto, subject to the Terms. The Company is only willing to purchase the Goods and/or Services in accordance with the Terms and the Suppliers Manual unless otherwise agreed in writing and signed on behalf of the Supplier and the Company. In the event that the Supplier requires a minimum notice period before it is able to supply Goods and/or Services it shall notify the Company before entering into this agreement.

3. **ACCEPTANCE** The acceptance of the Order or the commencement of any work or the performance of any Services hereunder or any other conduct in confirmation of the transaction set out on the face hereof by the Supplier shall constitute unconditional and unqualified acceptance by the Supplier of the Order and all of the Terms and the Suppliers Manual. The Company reserves the right without any liability whatsoever to the Supplier to cancel, amend, or withdraw the Order at any time before it has received written acceptance. The Terms form part of the Order whether set out overleaf or otherwise. The Order and the Terms shall constitute and contain the whole contract between the Company and the Supplier with respect to the provision of the Goods and/or Services, except to the extent of any statement or representations (whether written or oral) believed by the Company to have been made by or on behalf of the Supplier in connection with the Goods and Services or in influencing the decision of the Company to issue the Order. The Order and the Terms shall supersede and prevail over all and any terms and conditions referred to in any quotation or other documentation (including but not limited to any supplier's guide) supplied by the Supplier. Any conditions or stipulations issued or made by the Supplier which are inconsistent with the Terms or which purport to modify the Terms in any way whatsoever shall not have effect unless expressly agreed in writing by the Company. Unless and until they are superseded, the Terms shall also apply to all future Orders issued by the Company to the Supplier whether or not the Company makes specific reference to the Terms.

4. **DURATION AND SPARE PARTS** Subject to the Terms, the Supplier shall sell and deliver the Goods for the duration of the Company's supply contract with its customer full particulars of which shall be deemed to have been supplied to the Supplier through delivery of the Company's request for quotation and/or upon the Suppliers request or as otherwise agreed in writing. Additionally, the Supplier shall sell and deliver the Goods to the Company for a period of 15 years commencing with the end of serial production determined by the OEM as spare parts. For a period of 3 years commencing with the end of serial production, the Price for the Goods as spare parts shall be the Price applicable at the end of serial production.

5. **CHANGES** The Company may at any time, by written notice to the Supplier make changes in the Drawings, designs, and/or Services covered by the Order, or the method of shipment and packaging and/or the place of delivery. If any such changes affect the time for performance, the cost of manufacturing or delivery of the Goods, or the cost of providing the Services, the Company may in its absolute discretion make an adjustment in the Price or the delivery schedule or both. The Supplier shall not make any changes in the design or composition of the Goods nor make any substitution for the Goods specified in the Order without prior written authority of the Company. The Company will not be liable in respect of any instruction unless given on its official printed forms and signed by an authorised official of the Company.

- 6.1 **PAYMENT** Subject to the Terms, payment of the Price (unless stated otherwise in the Order) shall be made 60 days following the later of the month in which delivery was accepted or the Suppliers invoice was received by the Company, save where any Goods or Services are rejected by the Company following inspection. If the Company rejects any of the Goods or Services specified in an Order the Company can withhold payment until the Supplier submits a correct invoice. The date Magna receives the new invoice shall be the new invoice date. Save where expressly agreed in the Order no further charges shall be made in respect of the Price, surcharges, duties or any other costs and expenses. Delivery of the Goods or supply of the Services shall never depend upon payment first being made. No increase in the Price will be accepted without the prior written agreement of the Company. In the event that the Supplier wishes to increase the Price, it must give written notice to the Company as provided for by the Terms no less than six (6) months before the proposed price movement is to take effect; the 'Expiration Date'. The Supplier shall continue to supply to the Company at the previously agreed Prices during such (6) six month period. In the event that the Company does not wish to accept such price increase, it shall be entitled to terminate its contract with the Supplier with immediate effect. The Company, may, at its option, extend the term of the Order for up to four (4) months beyond the Expiration Date. This is the Extended Term which if implemented by the Company will cause the Order to expire at the end of the Extended Term. During the Extended Term the Supplier shall continue to supply to the Company at the previously agreed Price. The Company will not pay interest on any amount not paid on or before the due date. If the Company is overdue with any payment, the Company shall be liable to pay interest on the overdue amount at an annual rate of 3% above the prevailing base rate of the Bank of England, and interest shall accrue on a daily basis from the date payment becomes overdue until the Supplier has received full payment of the overdue amount, unless the amount is subject to a bona-fide dispute. The Company shall be entitled to deduct from any amount due to the Supplier any sum owing (of whatever nature and whether relating to a liquidated claim or not) to the Company or any Group Company. Payments in respect of Tooling shall not be authorised until the Supplier has complied with the Tooling completion requirements in clause 22.

- 6.2 Notwithstanding the provisions herein the Company shall be entitled, at its sole discretion, to adjust the Price for the Goods and/or Services supplied by a nominated or directed Supplier in the event that the OEM responsible for the nomination or direction adjusts the Price payable to the Company in respect of those Goods or Services.

- 6.3 The Company shall be under no obligation to pay, in full or in part, any claim concerning, or invoice for Goods delivered or Services supplied unless the said claim or invoice is received by the Company within 120 days of the date upon which the Goods or Services the subject of the claim or invoice were delivered or supplied to the Company in accordance with the Terms.

- 6.4 If the Supplier is either nominated or directed by the OEM to whom the Company is contracted, to supply the Goods and/or Services supplied by the Supplier, the Company, notwithstanding the other terms herein shall be under no obligation to pay, in full or in part, any invoice and/or claim submitted by the Supplier unless and until the OEM has paid the Company for the Goods and/or services supplied by the Supplier in accordance with these Terms.

7. **INVOICES** All invoices, statements and correspondence relating to the Goods and/or Services must state the Company's official Order number, date and other material codes or part numbers stated on the Order. Where applicable part numbers must appear on pallet/drum labels and a certificate of conformity must accompany each batch or delivery of Goods supplied. Payment shall not become due until correctly completed invoices are received by the Company or the Order has successfully passed the Company's statistical process control.

- 8.1 **DELIVERY** Delivery shall be made to the location and in the manner specified in the Order or as otherwise required by the Company. All deliveries of Goods and Services are to be made on time and in full and the Supplier understands and accepts that the Goods and/or Services are required on a 'just in time' basis to ensure efficient running of production lines. Any shortfall or excess must be immediately corrected by the Supplier at its cost unless otherwise agreed by the Company. The Company reserves the right to accept in whole or in part, any Goods delivered or Services performed, in excess or in advance of those specified in the Order but shall not be obliged to make payment for such excess or early delivery or performance of specified Goods or Services. The Company may at its discretion return any such Goods to the Supplier at Sellers expense. Should the Company agree to accept partial (in lieu of a single delivery) or late deliveries, the Supplier agrees to indemnify the Company against all additional expenses, losses and costs incurred as a result of the failure to accomplish the specified delivery at the specified time including, for the avoidance of doubt, all costs incurred as a result of stopped or lost production time of the Company and its customer and/or end customer. The Supplier shall not charge the Company for any loading/unloading time.

- 8.2 The Company reserves the right to decrease the number of Goods to be supplied pursuant to an Order, cancel an Order, or place emergency Orders in addition to the normal process of order placement or to require the Supplier to deliver Goods or supply Services in advance of the time specified. In any case, the Supplier shall use all reasonable endeavours to comply with such emergency Order or revised timetable provided always that in the case of any emergency Order or advance delivery the Company shall not be required to pay a price in excess of that specified in this Order.

- 8.3 Subject always to the Terms herein the Company shall not accept any responsibility for Goods made by the Supplier or the raw materials required in their fabrication unless and until specific delivery quantities and dates are agreed and stated on the Order or on an authorised delivery schedule issued by the Company. Any schedule issued by the Company specifying a delivery date shall entitle the Supplier to payment of a maximum of 2 weeks finished goods price and 2 weeks raw materials unless otherwise agreed in writing.

- 8.4 The Supplier shall ensure that Goods are delivered (or, where the Company is to collect them, make them ready for collection) on the stipulated date and time and at the stipulated place. Time shall always be of the essence. Delivery to a carrier shall not constitute delivery to the Company. The Supplier shall immediately inform the Company of any foreseeable delays in delivery and the likely duration thereof.

- 8.5 Where the Supplier is carrying out Services for the Company it shall do so on such dates and times as are required by the Company or to a programme agreed in writing with the Company.

- 8.6 The Company shall have the right to put off any date or dates on which the Goods or Services are to be delivered or supplied and shall be under no obligation to compensate the Supplier for any costs incurred as a consequence.

- 8.7 In the event that the Supplier for any reason fails to comply with the delivery programme then the Company may require shipment by a method different to that previously specified and all and any additional costs shall be borne entirely by the Supplier.

- 9.1 **RISK AND TITLE** Risk and title in the Goods shall pass to the Company on the earlier of 1) signed acceptance by a nominated representative of the Company of the Goods being delivered and unloaded, or 2) if the Goods are being collected, upon completion of the loading onto the Company's vehicle(s) or 3) payment. The risk and title in any Goods or any materials or things rejected by or not delivered to the Company shall revert to or remain with the Supplier immediately on its being notified of the rejection.

- 9.2 Neither the Supplier, nor a sub-contractor, nor any other person shall have a lien on any Goods, materials or things which have vested in the Company for any sum due to the Supplier, sub-contractor or other person, and the Supplier shall take all steps as may be reasonably necessary to ensure that the title of the Company, and the exclusion of such lien, are brought to the notice of all sub-contractors and other persons dealing with any such Goods, materials or things.

10. **PACKAGING, MARKING, SHIPPING** All Goods shall be properly packaged, marked, secured, and delivered at the Supplier's expense in accordance with the Company's requirements. All packaging and delivery documentation must bear the Company's applicable Order number, Supplier code account number, part number, delivered quantity, and delivery address. Where required on the Order or requested by the Company, Lot Traceability, Certificate of Conformity and statistical Process Control data will be provided by the Supplier, at no extra cost to the Company.

11. **RECEIPT AND INSPECTION** All Goods may be subject to inspection and test either during manufacture or upon or after delivery. In the event that the Goods supplied are defective in materials or workmanship or are damaged in the course of delivery or otherwise fail to meet the requirements of the Order or specification relating thereto, the Company shall have the right at any time to reject or to retain and correct such Goods at the expense of the Supplier. Goods will be held or returned to the Supplier at the Supplier's expense and risk and the Supplier shall pay all the Company's costs for packing, handling and sorting rejected Goods. In the event that Goods are rejected, the Supplier shall forthwith deliver Goods in replacement therefore in conformity with the original specification and delivery instruction. Any additional costs incurred as a result of the replacement delivery shall be borne by the Supplier. Payment by the Company for any Goods supplied shall not constitute acceptance by the Company of such Goods nor that such Goods conform to contract requirements.

- 12.1 **SUPPLIER'S OBLIGATIONS** Unless the Supplier has executed a warranty agreement which meets the Company's requirements, the Supplier shall be deemed to have notice of the purpose for which the Goods and/or Services are required and warrants that all Goods delivered shall:

- 12.1.1 Be new and unused;

- 12.1.2 Be free from defect in design, materials and workmanship;

- 12.1.3 Be of merchantable/satisfactory quality and fit for their purpose;

- 12.1.4 Comply with all specifications, Drawings, samples or other descriptions furnished or specified by the Company;

- 12.1.5 Comply with all applicable legal requirements including the Supply of Goods (Implied Terms) Act 1973, the Sale of Goods Act 1979 (as amended), the Supply of Goods and Services Act 1982, the Health & Safety and Control of Hazardous Substances requirements together with all government requirements that may apply to the design production sale or distribution of the Goods and provide the Company with all information relating thereto as it may require;

- 12.1.6 Comply with all other warranties implied or provided for by law.

- 12.2 The Supplier agrees that in addition to its obligations pursuant to the Terms, it hereby recognises, accepts and gives effect to all and any terms and conditions imposed upon the Company by an OEM arising from or related to the supply of Goods and/or Services and of which the Supplier shall be deemed to have notice. Copies of such terms and conditions are available from the Company on request.

- 12.3 Where the Company is required to replace or repair free of charge any Goods which are defective, the Supplier shall replace or repair those Goods free of charge or, at the option of the Company, meet the cost of such rectification which the Company may instruct a third party to carry out.

- 12.4 The Supplier shall not make any change to the specification of the Goods and/or Services (or any related Drawings or designs) unless required by the Company or previously authorised by the Company in writing.

- 12.5 All Services provided by the Supplier must be to a standard satisfactory to the Company and shall be supplied at such times and upon such dates as required by the Company.

- 12.6 The Supplier warrants that it has taken all reasonable steps to minimise the impact on the environment of providing the Goods and/or Services and is complying with Reach and further warrants that it will check, confirm enter and report information necessary to meet statutory requirements and/or industry or OEM standards.

- 12.7 The Supplier warrants that in respect of all Goods and/or their component parts or materials supplied under the Order the appropriate Reach registration processes have been fully complied with.

- 12.8 Without prejudice to the Company's other rights under the Terms the Supplier shall reimburse the Company for all damages and costs (including labour charges) incurred by the Company as a result of the Supplier's breach of any warranty provided in the Terms. This obligation shall not operate to exclude any conditions or warranties express or implied under statute, common law or otherwise and is additional to any such condition or warranties.

- 12.9 The Supplier will enter into the IMDS Database all relevant materials details as provided for in the PPAP Purchase Order and provide a paper copy of that Order to the Company.

- 12.10 The Supplier shall ensure the data set in the IMDS Database meets all IMDS current recommendations.

- 12.11 The Supplier shall check and confirm to the Company the fulfilment of all currently valid EU ELV and ROHS directives and especially the fulfilment of prohibited heavy metals content guidelines. Additionally, the Supplier commits to entering into the IMDS all details for the materials as encompassed in the PPAP purchase order, to confirm to the Company that this information has been updated, and to provide the Company with a detailed list of all materials contained in the Goods as part of the PPAP documentation package. The Supplier must also ensure that the data set in the IMDS database meets all current requirements (IMDS recommendations), and to correct this information should the guidelines change. All related costs for providing this data and its maintenance shall be deemed to be included in the respective piece price quote. The Supplier shall use its best endeavours to procure that all sub suppliers (meaning the complete supply chain, including the original producer of the Goods and/or parts thereof and/of materials used in is or their production) shall comply with this clause in the same way as the Supplier.

- 12.12 The Supplier undertakes to inform the Company if it is notified by an OEM Customer that it is on a prohibited new business hold status or subject to special actions.

- 12.13 The Supplier warrants that it is ISO 9001 compliant or has a quality management system to such equivalent standard or for specific industry sectors the equivalent standard certification will be accepted e.g. laboratories and test houses ISO 17025. TS16949 being the target for achievement within an acceptable time frame. The Supplier shall notify Inter in writing if any special status notifications are imposed by customer (OEM) e.g. containment and shall permit the Company to enter its premises upon reasonable prior written notice to conduct an audit in respect of such systems. The Supplier shall use its best endeavours to procure that all sub suppliers (meaning the complete supply chain, including the original producer of the Goods and/or parts thereof and/of materials used in is or their production) shall comply with this clause in the same way as the Supplier and Supplier shall verify such compliance.

- 12.14 The Supplier shall maintain and keep detailed records and books in respect of all costs in respect of the Tooling or the Order or amended Order submitted by the Company for a period of 6 years from the date of the Order and shall allow the Company to inspect such books and records upon reasonable notice during normal office hours.
- 12.15 The Supplier and its employees, sub-contractors or any other personnel of the Supplier authorised by the Company to provide the Goods or Services shall keep confidential all and any information relating to the Company or any Group Company received or acquired as a result of or in connection with the Order whether or not the Supplier is made aware that such information is confidential and shall not disclose the same to any third party without the Company's consent. This clause shall not bind the Supplier if such information is already in the public domain other than through unauthorised disclosure by the Supplier, its employees, sub-contractors or other personnel.
- 12.16 The Supplier shall provide to the Company the registration information and registration verifications in accordance with REACH Regulation (EC) No. 1907/2006. The registration information and registration verifications are an integral part of sampling and of series deliveries of Goods. This obligation also applies to substances that were registered in accordance with Directive 67/548/EEC (Registration of new substances) and/or the respective implementation acts. Supplies are governed by the last applicable versions in each case of Regulation (EC) No. 1907/2006 and/or Directive 67/548/EEC and/or the respective implementation acts. The Supplier shall comply with its duties and obligations under Regulation (EC) No. 1907/2006 and/or Directive 67/548/EEC (Registration of new substances) and/or the respective implementation acts. The Supplier shall procure that that all sub suppliers (meaning the complete supply chain, including the original producer of the Goods and/or parts thereof and/of materials used in is or their production) shall comply to this clause in the same way as the Supplier.
- 12.17 The Supplier warrants that it has sufficient title and rights in the Goods and/or Services to fulfil its obligations under the Order.
- 12.18 Without prejudice to the other provisions of the Terms the Supplier hereby warrants that for a period of 5 years from the date of acceptance of delivery by the Company the Goods and/or Services shall comply in all respects with the Suppliers obligations under the Order and in the event that it or they fail to do so then in addition and without prejudice to any other rights of the Company pursuant to the Terms the Supplier shall replace the faulty Service and/or Goods forthwith upon receipt of notice from or on behalf of the Company.
- 13.1 **INDEMNITY AND INSURANCE** The Supplier shall hold harmless, indemnify and keep indemnified the Company against any loss, damage or injury to the Company and from and against any claim in respect of loss, damage or injury made against the Company by any third party or parties and any costs and expenses arising in connection therewith which result from the Supplier's failure to comply with the Terms of the Order or the Supplier's performance of the Order (whether negligent or otherwise) or the Supplier's failure to perform and in particular, but without prejudice to the generality of the foregoing, which result from any defect in the Goods or in the material used for their construction, or in their workmanship or design (where or to the extent that design is the Supplier's responsibility). The Supplier shall at all times insure and keep itself adequately insured with a reputable insurance company against all insurable liability risks under the Order and in particular against all liabilities under this clause and against the consequences of any act or default of the Supplier's employees or representatives whilst on the premises of the Company. The Supplier shall on request provide the Company with evidence of such insurance as the Company may reasonably require. The Supplier shall provide all facilities, assistance and advice required by the Company or its insurers for the purpose of contesting or dealing with any action, claim or matter arising out of the Supplier's performance of the Order or failure to perform. For the avoidance of doubt the Supplier shall maintain employers, public and product liability insurance for an amount of not less than £10 million in respect of any one incident.
- 13.2 If, as a consequence of the termination of the Order howsoever arising, employees of the Company or Supplier are dismissed and/or redundant, the Supplier agrees to indemnify the Company against any claims, actions, proceedings, costs, demands, awards, fines, orders, expenses, and liabilities arising therefrom including but not limited to claims for redundancy and/or notice pay, protective awards and unfair dismissal.
14. **ASSIGNMENT** The Supplier may sub-contract part or all of the manufacture or supply of Goods hereunder or assign all or part of the benefit hereof only upon first receiving written authorization for such sub-contract or assignment from the Company. The Supplier shall continue to be exclusively responsible to the Company for all obligations of the Supplier under the Order notwithstanding any such sub-contract or assignment. If an assignment is made, a payment to the Supplier or the assignee will nonetheless constitute a valid discharge to the Company.
15. **PROPRIETARY RIGHTS** The Company and its Group Companies may have valuable Intellectual Property Rights in Tooling, Drawings, documents, and information provided to the Supplier. The Supplier may use the said Intellectual Property Rights only in the production and supply of the Goods and Services under the Order. The Supplier shall not use in any manner any trademarks, trade names, trade dress or other marks which are owned or controlled by the Company or which the Company is licensed to use except to apply, use or affix them to goods supplied by the Supplier at such place and in such manner as shall be designed in writing by the Company.
- 15.2 The Supplier may not manufacture, sell, or otherwise dispose to third parties any goods made by the Supplier or subcontractor using any Tooling, equipment or Intellectual Property Rights of the Company and/or its Group Companies.
- 15.3 The Supplier will at its sole cost and expense indemnify and hold the Company and its Group Companies harmless against all and any claims for any alleged infringement of Intellectual Property Rights that may be bought against the Company, its Group Companies or third parties who may use the Goods. The Supplier will investigate, defend, and otherwise handle any such claim. At the Company's request, the Supplier will assist the Company in its investigation, defence, or handling of any such claim. The Supplier will pay all costs, expenses, damages, and settlement sums that the Company and/or Group Companies selling the Company's products incorporating the Goods may sustain by reason of an indemnified claim.
- 15.4 The Supplier hereby grants the Company a non-exclusive royalty free, assignable, sub licensable, irrevocable licence to repair, rebuild and relocate and to have repaired, rebuilt and relocated the Goods purchased by the Company under any Order whether utilising the Supplier's Intellectual; Property Rights which existed prior to the Order or otherwise.
- 15.5 All technical information disclosed at any time or hereafter by the Supplier to the Company in connection with the Goods supplied or Services rendered pursuant to this Order is disclosed or will be disclosed on a non-confidential basis
- 15.6 The Supplier hereby agrees that all Intellectual Property Rights created or produced by the Supplier in order to provide the Goods and/or Services pursuant to the Order and whether undertaken prior to its issue or otherwise vest solely in and remain with the Company which shall be free to exploit such Intellectual Property Rights as it sees fit.
- 15.7 The Supplier shall not apply to register or exploit any Intellectual Property Right in respect of the Goods without the prior written consent of the Company. The Supplier shall provide such information and assistance as the Company may reasonably require to enable the Company to complete and submit any application for registration of its Intellectual Property Rights.
- 16.1 **DRAWINGS, SPECIFICATIONS** The Supplier is not permitted without written consent from the Company to make any copy of the whole or any part of the Drawings The Drawings are the property of the Company and they, together with any copies, must be returned to the Company upon demand. The Supplier is only authorised to use the Drawings in order to provide the Goods or Services.
- 16.2 The Supplier shall keep confidential the Order, the sample parts and any and all information contained in the Drawings and shall take all necessary precautions to prevent loss, damage, and access by unauthorised persons to the Drawings. All Drawings supplied by the Company to the Supplier shall be kept in secure areas and if called upon to do so by the Company, the Supplier shall permit a representative of the Company to inspect and shall answer all reasonable enquiries concerning the Supplier's security arrangements. The Supplier shall provide the Company with the names of the businesses or companies that the Supplier may retain/employ to supply the Goods or Services and obtain the Company's prior consent to the Supplier disclosing to such businesses/companies the Order and Drawings.
- 16.3 At any time during the continuance of this Order or after its termination pursuant to the provisions hereof the Company may reproduce and make available to any third parties drawings and/or other documents submitted to the Company by the Supplier.
- 17 **IMPROVEMENT** The Supplier agrees that during the continuance of this Order, it will advise the Company of any innovations or improvements of which it or its employees become aware in the manufacture and/or supply of the Goods, the Company having the right to amend the Order to take account of such improvements. The Company may initiate procedures designed to improve quality customer satisfaction or reduce costs. By acceptance of this Order, Supplier agrees to participate in these procedures to the extent required by the Company.
- 18.1 **TERMINATION AT OPTION OF THE COMPANY** The Company may, at its option, in whole or in part, upon written notice, terminate the Order. The Supplier may not terminate at its option. On receipt of notice of termination, the Supplier shall, unless otherwise directed by the Company:
- 18.1.1 Cease all work on the Goods. (or in the case of termination of part only of the Order, cease the appropriate work) including cancelling all orders and sub-contracts relating to the Goods or Services terminated;
- 18.1.2 Transfer (so far as not already transferred) property to and deliver to the Company upon the Company's request:
- 18.1.2.1 All Goods or Services which conform to the requirements of the Order and do not exceed in quantity the amount of Goods authorised by the Order unless otherwise agreed by the Company.
- 18.1.2.2 All reasonable quantities (but not in excess of amounts authorised by the Order) of work in progress and materials produced or acquired in respect of the work terminated, which are of a type and quality suitable for producing supplies which confirm to the requirements of the Order and which cannot reasonably be used by the Supplier in producing supplies for itself or for its other customers.
- 18.1.3 Take all action necessary to protect materials and work in progress in the Supplier's possession in which the Company has property or may acquire an interest.
- 18.1.4 Submit to the Company promptly, but not later than sixty (60) days from the Effective Date of Termination (unless otherwise extended by the Company) a written termination claim, provided always that in the event of the failure of the Supplier to submit its said claim within such period the Company may, notwithstanding the provisions of sub-clause 18.2, on the basis of information available to it determine, the amount, if any, due to the Supplier with respect to the termination, and such determination shall be binding upon the Supplier. The Company shall be under no obligation to make any payment whatsoever to the Supplier pursuant to this clause in the event that the Supplier fails to provide a written termination claim within the time provided for by this sub-clause.
- 18.2 Upon termination by the Company under this sub clause, (but not in the event of default by the Supplier) the Company shall, subject to its duly authorised representative having access at all times to the Supplier's premises and records, prior or subsequent to payment to verify charges supporting any termination claim, pay the Supplier the following amounts and the Company shall thereupon be under no further or other liability hereunder in respect of Goods or Services in respect which the Order has been terminated:
- 18.2.1 The Order Price for all Goods and/or Services which have been completed and delivered in accordance with the Order and not previously paid for (and which comply in all respects with the Order);
- 18.2.2 The actual costs incurred by the Supplier in accordance with the Order and the Terms to the extent that such costs are reasonable in amount and are properly allocable or capable of apportionment under generally accepted accounting practices to the terminated portion of the Order (including the actual cost of the work in progress and materials delivered to the Company in accordance with sub clause (a) hereof and including the cost of discharging liabilities which are so allocable or capable of apportionment; and
- 18.2.3 The reasonable costs incurred by the Supplier protecting Goods, materials and work in progress in its possession in which the Company has property or may acquire an interest.
- 18.3 The aggregate of payments made under sub-clause 18.2 hereof shall not exceed the aggregate prices specified in this Order in respect of the Goods which are the subject of the termination notice given by the Company, less payments otherwise made or to be made in respect of such Goods or Services relating thereto.
- 18.4 Except as otherwise provided herein, the responsibilities and obligations of the Supplier to the Company pursuant to the Order and the Terms shall continue beyond termination.
- 18.5 Neither the Company or any Group Company shall have any liability to the Supplier or any loss of profit, capital investment, interest charge, product development and engineering costs, facilities and equipment hire charge or any depreciation general or administration cost or penalty whether incurred directly or indirectly by the Supplier or any of its associated companies or its or their suppliers except to the extent provided for by this clause.
19. **TERMINATION FOR CAUSE** The Company may by notice in writing to the Supplier terminate the Order in whole or in part forthwith if the Supplier fails to comply with any of the requirements of the Order and/or the Terms including failing to complete installation of Tooling in accordance with the Company's requirements or failing to make any delivery of Goods or Services on time. Without prejudice to its right to terminate without giving notice the Company may in appropriate circumstances give the Supplier 5 days written notice of its intention to terminate if the failure remains unremedied.
- 19.2 The Company may terminate the Order in whole or in part forthwith upon written notice to the Supplier if there is a Change of Control.
- 19.3 The Company may terminate the Order in whole or in part upon written notice to the Supplier if the Supplier makes any voluntary arrangements with its creditors (within the meaning of the Insolvency Act 1986) or (being an individual or a firm) becomes bankrupt or (being a company) becomes subject to an administration order or goes into liquidation otherwise than for the purpose of reconstruction or amalgamation or the Supplier ceases or threatens to cease to carry on business or the Company reasonably apprehends that any of the events listed in this clause is about to occur in relation to the Supplier and notifies the Supplier accordingly.
- 19.4 Without prejudice to its other rights under this clause, the Company shall be entitled, having given written notice, without making any further payment, to retain and utilize all and any of the Goods or Services supplied by the Supplier to the Company under the Order.
- 19.5 In the event that the Company terminates the Order pursuant to this clause it shall have no further liability to the Supplier and shall be under no obligation to make any further payment or payments in respect of Goods delivered or Services supplied under the Order.
- 19.6 Except as otherwise provided herein, the responsibilities and obligations of the Supplier to the Company pursuant to the Order and the Terms shall continue beyond termination.
20. **FORCE MAJEURE** Neither the Company nor the Supplier shall be liable to the other for any loss or damage arising from a failure to perform obligations under the Order to the extent that the failure to perform is caused by an act of God, war flood, fire, shipwreck, acts of a public enemy, act or omission of any sovereign government or branch or agency thereof and providing it has not been induced or caused through the negligence or fault of the employing party, any strike, industrial action or lockout. The Supplier shall promptly notify the Company of any inability to perform any obligation under the Order as a result of any of the foregoing. In the event that such Force Majeure event subsists for 14 days or more the Company shall be entitled to cancel the Order and suspend all further payments whether due or otherwise.
- 21.1 **COMPANY PROPERTY** Unless otherwise provided in the Order or any other agreement between the Company and the Supplier, all Tools, specifications, Drawings, samples or other materials furnished to the Supplier by the Company to perform the Order or for which the Supplier has been reimbursed by the Company, shall remain the property of the Company or such other person as the Company shall advise (all such property being referred to in these conditions as the Company's property) and the Supplier shall bear the risk of loss of and damage to such property, normal wear and tear excepted. Such property shall at all times be properly housed and maintained by the Supplier, shall be so marked by the Supplier, shall not be commingled with the property of the Supplier or with that of any other person and shall not be moved from the Supplier's premises without the Company written approval.
- 21.2 The Supplier shall upon the Company's request immediately deliver such property, packed and marked in accordance with the requirements of the carriers selected by the Company to transport such property, to the Company or to any other location or person designated by the Company, in which event the Company shall pay to the Supplier the cost of delivering such property to such location. The Company or its representative shall have the right to enter onto the Supplier's premises at any reasonable time to inspect the Company's property and the Supplier's records with respect thereto or to take possession of and remove such property. The Supplier shall only use such property in connection with this Order and shall not use such property in any manner whatsoever for the benefit of any other customer or third party without the prior written consent of the Company.
- 22.1 **TOOLING** Unless otherwise provided in the Order or any other agreement between the Company and the Supplier, all Tooling whether completed or otherwise which is supplied by or for which the Company is liable to pay under the Terms and/or an Order shall be clearly marked from the commencement of manufacture as being the property of the Company or otherwise as the Company shall direct and shall remain the Company's property irrespective of whether or not payment therefore has been made by the Company. The Supplier has no power to transfer any rights or grant a security interest in the Tooling or any of it to a third party. The Supplier waives any lien it might have or be otherwise able to assert against the Tooling for work done on the Tooling or otherwise.
- 22.2 Such Tooling shall not be used in the production, manufacture, or design of any goods or materials other than those contracted for herein nor for larger quantities than those specified. For the avoidance of doubt, the Tooling that is owned or has been paid for (partly or wholly) by the Company shall not be used for the manufacture of any goods for any third party without the prior written consent of the Company which may require royalty payments for such usage.
- 22.3 The Supplier is required to keep safe and maintain all Tooling (whether such Tooling is the Supplier's or the Company's property) in the condition necessary to produce the Goods and immediately replace any part or parts which are lost or damaged or destroyed or worn out. Without prejudice to its other rights under the Terms, the Company shall be entitled to recover from the Supplier as a debt the cost of repair or replacement of any tool which has not been maintained as required by this sub clause
- 22.4 The Supplier shall at all times adequately insure all Tooling (whether the Sellers or the Company's property) against loss, damage or destruction and shall produce on demand by the Company the policy of such insurance and the premium receipts; none of such items shall be moved from the Supplier's premises or disposed of by the Supplier without the prior written approval of the Company. The Supplier hereby assigns to the Company all claims made in respect of the Tooling under such insurance cover.
- 22.5 The Supplier shall complete the Tooling on or before the date specified on the Order and shall manufacture by use of the Tooling at its expense the required number of samples which must be free from defects and conform to the Company's specifications and deliver such samples to the Company or the address stipulated on the Order together with the Supplier's inspection and testing report and data as required by the Company. Such inspection and testing of Tooling by the Supplier shall take place in sufficient time to allow for any corrections to be effected by the Supplier prior to the completion date stipulated on the Order. The Supplier shall be required to provide written verification to the Company confirming that the Tooling shall be entirely suitable for the manufacture of the Goods to both the Company's specification and volume requirements. Such notification shall constitute the Tooling completion date, but such Tooling shall be accepted as completed by the Company once it has inspected and approved the Supplier's samples, data, and testing reports. In the event that the Supplier's samples, testing reports, data or written verification are found to be defective, incomplete or inaccurate by the Company and the Supplier fails to rectify such errors at its cost before the completion date stipulated on the Order, the Company shall be entitled to reject such Tooling or have it corrected by the Company at the Supplier's cost, in which case the Company or its employees will be allowed access by the Supplier in order to carry out such rectification work. Unless special payment terms have been agreed, payment shall be made at the intervals shown on the Order.
- 22.6 From time to time Tooling may be made the subject of leasing arrangements and the Supplier may be requested to enter into a sub-lease of the Tooling. As appropriate, a novation of the Order may be necessary to give effect to the lease arrangements. Subject as provided in sub-clause 22.7 below, the terms of any such sub-lease/Novation Agreement will take precedence over the provisions of this Order if or to the extent they are inconsistent with such provisions.
- 22.7 Where the Company enters into this agreement as agent for a third party or where this agreement is novated in favour of a third party pursuant to sub-clause 22.6 above, the Supplier as a separate and independent warranty and undertaking which shall continue in force notwithstanding anything contained in any such novation agreement hereby warrants and undertakes to the Company as a principal that:
- 22.7.1 It will perform all the obligations imposed upon the Supplier under this agreement and under any novation agreement; and
- 22.7.2 If the Supplier shall in any respect fail to perform the said obligations contained in the Order and Terms and in any novation agreement or commits any breach thereof it shall indemnify the Company, acting as principal and its successors and keep the Company indemnified from and against any loss, damages, cost and expenses howsoever arising from such failure or breach for which the Supplier may be liable thereunder, but so that the liability of the Supplier pursuant to this Condition shall not be limited by reference to the amount of any loss suffered by the principal, on whose behalf the Company has contracted as agent with the Supplier or, as the case may be, by the other party to any novation agreement with the Supplier and the Company.
- 22.8 The Supplier shall not be entitled to dispose of or remove any Tooling owned by the Company without the Company's prior written authorisation. The Company's employees or its representatives, may, following reasonable prior notice, enter on the premises of the Supplier or of any sub-contractor of the Supplier to view the condition of Tooling and shall always be allowed free and complete access.
- 22.9 The Company shall be entitled to immediately recover, remake, modify, and reallocate any Tooling whether owned by the Company or otherwise in its absolute discretion. Upon notice the Supplier shall either return to the Company all property and Tooling which belongs to it or make available such property and Tooling for collection by the Company or its nominee. In the event that the Supplier fails to do so, then without prejudice to its other rights under the Terms, the Company may require the Supplier forthwith to pay to the Company a sum equal to the full value of all property and Tooling which is either not returned or properly accounted for.

- 22.10 If the Supplier intends to subcontract all or part of the manufacture, fabrication, modification, repair or refurbishment of the Tooling and/or to locate the Tooling at the premises of a subcontractor, the Supplier shall obtain the Company's consent in advance of doing so and shall first inform the Company by written notice of the identity of the proposed subcontractor and the location of the Tooling. The Supplier will additionally inform the subcontractor that it is a bailee at will of the Tooling owned by the Company through the Supplier and will be solely responsible for payments to be made to the subcontractor.
- 22.11 The Supplier will ensure that any subcontractor, prior to taking possession of the Tooling, shall execute an agreement by which the subcontractor shall accept the same obligations and grant the same rights to the Company as apply to the Supplier under the Order and the Terms.
23. **HIRE OF GOODS** These conditions shall also apply so far as they are relevant to contracts of hire and the word "Supplier" shall be construed as including the supplier of goods for hire. The Company's sole responsibility shall be to pay the hire charge and to return the hired goods in the condition with which they were hired (fair wear and tear excepted) and the Company shall have no other liability whatsoever.
- 24.1 **HEALTH AND SAFETY** It is a fundamental condition of the Order, not only that all technical specifications and manufacturing standards of the Company should be observed, but also that any substance, machinery, goods or equipment supplied or installed hereunder shall so far as is reasonably practicable be so formulated, designed, constructed, finished, packed and transported as to be safe and without risks to health when in use. Furthermore if any conditions are necessary to ensure such safety and harmlessness in use, or any such substance, machinery, goods or equipment possess dangerous properties whether in use or otherwise, appropriate and conspicuous labels or other warnings will (so far as practicable) be affixed to or appear on every separate item thereof and any container in which the same shall be supplied.
- 24.2 If the Supplier carries out works or performs any Services on the Company's premises the Supplier will take all reasonably practicable steps to ensure that those premises (so far as within its control) and the works are at all times safe and without risks to health of its own employees and all other persons. The Supplier is required to ensure that any of its employees/sub-contractors shall observe the requirements of the Health and Safety at Work Act 1974, The Environmental Protection Act 1990, the Construction (Design Management) Regulations 2007, and all other legislation relating to health and safety and environmental issues. The Supplier and its personnel shall obtain and comply at all times with the Company's quality control, working arrangements, and health and safety procedures and shall indemnify and keep indemnified the Company against all and any claims, liability, damages, costs and expenses arising as a result of the contravention by the Supplier or its personnel of such requirements. The Supplier will ensure that any subcontractor it proposes will undertake work on the Company's premises pursuant to the Order and subject to the Company's approval shall, prior to commencement execute an agreement by which the subcontractor accepts the same obligations and liabilities as the Supplier under this clause.
25. **REMEDIES** The individual remedies reserved by or incorporated in the Order shall be cumulative and additional to any other or further remedies provided in law or equity. No waiver by the Company of any breach of any of the provisions of the Order or Terms shall constitute a waiver of any other breach of such or any other provisions.
26. **ADVERTISING** The Supplier will not, without the prior written consent of the Company, in any way whatsoever advertise or publish the fact that the Supplier has contracted to supply to the Company the Goods and/or Services recorded in the Order.
- 27.1 **COMPLIANCE:** The Supplier will comply with all applicable laws and legal provisions in connection with the business relationship with the Company. This includes the existing laws and legal provisions of the jurisdiction(s) of the registered office of the Supplier and the production site of the Supplier. The Supplier will comply with all principles and regulations in the Company Code of Conduct and Ethics (<http://www.magna.com/investors/corporate-governance/corporate-governance-documents>).
- 27.2 The Supplier agrees 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 Supplier to be promised or accept a benefit for Supplier 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 or breach any applicable anticorruption regulations and, (v) if applicable, violate or breach the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.
- 27.3 The Supplier agrees (i) not to assist in the creation or continuation of or permit any working conditions that do not meet applicable laws and industry standards; (ii) to comply with the conventions of the International Labour Organisation (ILO conventions); and (iii) to comply with applicable environmental laws.
- 27.4 Upon the Company's request, the Supplier will confirm in writing that the Supplier adheres to the obligations in this Clause 21 and that the Supplier is not aware of any breaches of the obligations in this Clause 21. In case of reasonable suspicion that the obligations in this Clause 21 have not been met, the Company has the right, after notifying the Supplier of such reasonable suspicion, to demand that the Supplier permit and participate in - at its own expense - auditing, inspection, certification or screening to verify compliance with the obligations in this Clause 21. The proceedings referred to may be executed by the Company itself or a third party subject to confidentiality obligations and exercised in compliance with applicable laws. The Supplier agrees to keep full and accurate books and records of all payments made in connection with the Terms, and to make all such books and records available to the Company's duly authorized representatives as deemed necessary in accordance with this Clause.
- 27.5 In the event that the Supplier, despite notification, is in breach of the obligations in this Clause 21 and cannot verify to Company's satisfaction that the breach occurred without fault or that adequate measures were taken to prevent such breach, the Company has the right to withdraw from or terminate any individual supply contracts or all supply contracts. These termination rights also apply in the event of a serious one-off breach unless the Supplier is not at fault. In addition, the foregoing shall not affect existing contractual and / or legal termination rights which will continue to exist independently and without limit.
- 27.6 The Supplier shall hold harmless, indemnify and keep indemnified the Company and Company's officers and employees from any liability claims, demands, damages, losses, costs and expenses arising in connection with or resulting from a breach of this Clause 21 by the Supplier.
- 27.7 The Supplier shall use its best endeavours to procure that that all sub suppliers (meaning the complete supply chain, including the original producer of the Goods and/or parts thereof and/of materials used in is or their production) shall comply with this clause in the same way as the Supplier and Supplier shall regularly verify such compliance. The Supplier shall procure that its officers, directors, employees, direct or indirect beneficial owners or shareholders, or any other party engaged by the Supplier to act on its behalf in performance of the Order or the Terms comply with this clause.
- 27.8 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.
28. **INFORMATION AND CYBER SECURITY.**
- 28.1 The Supplier shall implement and maintain appropriate technical and organizational measures and other protections for the proper security of all information or data belonging to the Company, including, without limitation, not loading any confidential information provided by the Company to the Supplier on (a) any laptop computers or (b) any portable storage media that can be removed from the 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.
- 28.2 The Supplier will use reasonable endeavours to prevent password theft or loss or unauthorized access to or use of any data or information of the Company and the Supplier shall notify the Company promptly of any password theft or loss or unauthorized access or use of any data or information of the Company. The Supplier will enforce safety and physical security procedures with respect to its access and maintenance of confidential information or data of the Company 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 Company. The Supplier shall have processes and security procedures in place to ensure that its information systems are free from viruses and similar defects. The 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 Company.
- 28.3 The 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 the Company's systems, information or data. The 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 the Supplier's or the Company's systems or the information found therein. The Supplier will periodically test its systems for potential areas where security could be breached.
- 28.4 The Supplier agrees that it shall inform the Company by telephone call of any cyber-security incident, which impacts access to data or information of the Company, as soon as reasonably possible but in any event within twenty-four (24) hours of the Supplier discovering such cyber-security incident.
- 28.5 The Supplier shall (i) provide the Company with a summary of known information about such cyber-security incident, (ii) exert reasonable endeavours 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 the Company, and (iv) within two (2) weeks of completion of the investigation of the cyber-security incident, provide a report to the Company outlining: a description of the incident, the cases of such events and how the Supplier has mitigated against future events of a similar kind, the timeline of the incident, the suspected perpetrators, what information or data of the Company may have been affected, or any financial impact to the Company. 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 The Supplier shall indemnify and hold the Company harmless from and against all liabilities, specifically losses and damages, arising from any information or cyber-security incident of the Supplier's information systems. In the event that the Company has suffered a loss as a result of any cyber-security incident of the Supplier's system, the 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 the Company and subject to all indemnification obligations of the Supplier, and all set-off rights of the Company related to such cyber-security incident.
- 28.7 Delay in payment of deliveries made by the Supplier that is caused by a cyber-security incident of the Supplier's system is not default in payment.
- 28.8 The Company has the right, either directly or through a reputable third party engaged by the Company at its own expense, to visit the Supplier's premises once per calendar year in order to review and audit the 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 the Company.
29. **RELATIONSHIP** Nothing in these Terms shall have the effect of creating a partnership or agency arrangement between the Company and the Supplier.
30. **SEVERABILITY** In the event that any provision or part provision of the Order or Terms is held to be unenforceable or invalid, it shall not affect the validity or enforceability of the remaining provisions or part provisions.
31. **NOTICE** All notices to be given in respect of the Order or the Terms shall be in writing and sent to the Company at the address shown on the Order. A written notice may be provided by first class mail in which case notice is effective on the day following the day of posting or by fax or e-mail in which case notice is effective as at the date of transmission.
32. **THIRD PARTY RIGHTS** A person who is not a party to the Order shall have no rights under the Order or the Terms pursuant to the Contracts (Rights of Third Parties) Act 1999.
33. **PROPER LAW** The Order, Terms and all matters relating or ancillary thereto shall be governed by and construed in accordance with English Law and the Supplier agrees to submit to the exclusive jurisdiction of the English Courts as the forum for determining any disputes arising therefrom.