

# General Purchasing Conditions of the Austrian Magna Companies

1. General Terms / Scope
- 1.1 The following general purchasing conditions ("**these Purchasing Conditions**") apply to the supply of all kinds of things, rights and digital content (i.e. parts, spare parts, components, materials, tools, systems and software, either as a standalone or as contained therein or related thereto) ("**Goods**") as well as all kinds of work and services by a supplier ("**SUPPLIER**") to a company affiliated with Magna International Inc. (such affiliated company hereinafter "**MAGNA**") with registered seat in Austria, unless the affiliated company has included other general terms and conditions of purchase. Other MAGNA companies not registered in Austria may apply these Purchasing Conditions by reference and in that case, SUPPLIER already now consents to such incorporation.
- These Purchasing Conditions are incorporated in all purchase orders of MAGNA ("**Order**") and in all purchasing contracts, including but not limited to supply contracts and framework supply agreements, between SUPPLIER and MAGNA ("**Supply Contract**"). These Purchasing Conditions also apply to all future Orders and Supply Contracts between MAGNA and SUPPLIER, even if MAGNA does not refer to these Purchasing Conditions in such Orders or Supply Contracts.
- 1.2 These Purchasing Conditions apply exclusively; contravening or differing terms and conditions of SUPPLIER do not apply unless MAGNA has accepted such conditions expressly in writing. These Purchasing Conditions also apply, if MAGNA, while being aware of SUPPLIER's contravening or differing terms and conditions, accepts and / or pays for Products delivered by SUPPLIER.
- The provisions of any Order or Supply Contract take precedence over these Purchasing Conditions. In case of contradictory provisions in these Purchasing Conditions and the documents referred to in these Purchasing Conditions, the provisions of these Purchasing Conditions shall prevail, except if the referenced document stipulates otherwise.
- 1.3 Definitions: Definitions used in the singular, where the context so permits, shall be deemed to include the plural and vice versa. "**Affiliate**" of a party or "**affiliated**" is a company of any legal form which is directly or indirectly controlled by such party, controls such party or is under joint control with such party, whereby control will be assumed if at least 50 % of the shares or voting rights are held. Working days are all calendar days of the week except Sundays and public holidays at the registered seat of MAGNA. Goods and work and services that are the subject of a Supply Contract or an Order are hereinafter referred to as "**Product**".
- 1.4 Any communication and agreements required "in writing" or "written" by these Purchasing Conditions shall be signed with signature, unless these are conducted in an electronic sourcing process by MAGNA, and may be sent by email, telefax or electronic data-transfer as part of an Internet-based platform solution. Oral agreements of any kind, including subsequent variations and supplements to these Purchasing Conditions, a Supply Contract or an Order must be confirmed by MAGNA in writing to become effective. Any changes and/or additions to a Supply Contract, Order or these Purchasing Conditions must be made in writing to be valid. The same applies to any changes to this written form clause itself.
- 1.5 In addition to these Purchasing Conditions, the contractual relationship between MAGNA and SUPPLIER shall be governed by the applicable statutory law.
2. Conclusion of the Supply Contract and Changes and Amendments
- 2.1 Supply Contracts are concluded upon offers, quotations or Orders and acceptance of those by the other party. Supply Contracts, Orders and any other transactions between MAGNA and SUPPLIER, as well as any changes and amendments thereto shall be made in writing. If SUPPLIER does not accept a MAGNA Order within ten (10) working days after receipt, MAGNA has the right to cancel its Order. Execution of an Order by SUPPLIER without having confirmed the Order shall be deemed tacit acceptance by SUPPLIER.
- 2.2 In case of an implemented order system for call-offs of Products, Orders or changes thereto issued by MAGNA shall be automatically accepted and become binding for SUPPLIER, unless SUPPLIER objects thereto in writing after receipt of the Order or change within the following periods: (i) one (1) working day if Product supply is scheduled within five (5) working days from receipt of Order; (ii) two (2) working days if the Product supply is scheduled between six (6) working days to three (3) calendar months from receipt of Order; (iii) eight (8) working days if the Product supply is scheduled more than three (3) calendar months after receipt of Order. This clause also applies in case the Order contains higher order volumes than the agreed or confirmed capacity for these Products. Orders according to the contractual arrangements must be fulfilled in all cases.
- 2.3 The purchase of Products by MAGNA from SUPPLIER is always non-exclusive. Volume information or estimates of MAGNA are only indications and non-binding. Any agreement on fixed volumes is only valid if agreed in writing. In the absence of fixed volume or quantity agreements, SUPPLIER is obliged to supply MAGNA with the required demand for the project during the respective project period; clause 17.1 remains unaffected. Expenses for cost estimates of SUPPLIER shall not be reimbursed by MAGNA, unless expressly agreed otherwise in writing.
- 2.4 SUPPLIER shall not be allowed to change the Products (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. MAGNA may request changes relating to the design, construction and manufacturing process of the Products to be made by SUPPLIER. SUPPLIER shall without undue delay submit a proposal for the implementation of such changes and shall implement the requested changes without undue delay, except to the extent that the requested change is obviously unacceptable to 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 and shall not impede the implementation of the requested changes.
3. Product Price and Payment Terms and Conditions
- 3.1 If the Product prices are not determined at the time of MAGNA's Order, SUPPLIER shall fill in the Product prices into the copy of the Order that shall be returned to MAGNA. A valid Supply Contract comes into force, only once MAGNA has accepted such Product prices in writing. All additional charges (customs, package, transport, insurance) must be stated separately in SUPPLIER's offer and shall be borne by SUPPLIER (except the applicable value added tax (VAT)), unless otherwise expressly agreed. Any increases in Product prices including the increase of additional charges are subject to prior express written approval by MAGNA.
- 3.2 Unless no longer period has been agreed, payment of the invoiced amounts shall be made within 30 calendar days net. This period commences on the date of the receipt of the correct and complete invoice by MAGNA, but in no case before MAGNA has received all Products specified in the invoice free of any Defects (as defined in clause 8.2) and together with all documents. In the event of defective Products or incomplete delivery of Products, MAGNA may withhold payment of the purchase price for the respective Products until proper and complete fulfillment.
4. Delivery Dates, Passing of the Risk, Transport
- 4.1 The delivery dates and terms as defined in the Order or Supply Contract are binding upon SUPPLIER.
- 4.2 Unless different delivery terms have been agreed in writing, delivery shall be made DAP (INCOTERMS 2020) to MAGNA or to a location specified by MAGNA. In case of DAP deliveries MAGNA has the right to change the delivery term from DAP to FCA (INCOTERMS 2020). If MAGNA bears the transportation costs, 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. If MAGNA has changed the delivery term to FCA, the transportation costs shall be deducted from the Product price provided that MAGNA has agreed to bear the transportation costs.
- 4.3 If the parties have agreed to delivery DAP, the receipt of the Products and the shipping documents at the MAGNA site or the location specified by MAGNA shall be decisive for a timely delivery.
- 4.4 In case of Orders, MAGNA determines the delivery quantity and the dates for the delivery of the Products. Unless otherwise expressly agreed in writing, any notifications of MAGNA about the expected demand or the expected quantity to be supplied or released shall not constitute an obligation to take delivery. Orders may be cancelled partially or entirely or amended by MAGNA at any time. In case of (partial) cancellation of Orders, MAGNA and SUPPLIER shall agree in good faith on an appropriate compensation for Products already necessarily manufactured and materials already necessarily purchased by SUPPLIER unless the Parties have not expressly agreed on any other provisions.
- 4.5 Should SUPPLIER deliver more or less Products than ordered, and/or in case of early delivery, MAGNA reserves the right to reject the delivery of the Products at SUPPLIER's expense, to amend the invoice accordingly or request its amendment and / or to store exceeding Product deliveries at SUPPLIER's expense.
- 4.6 SUPPLIER is obligated to immediately inform MAGNA (but in no case later than within 24 hours from being aware of) in writing about (i) any foreseen or foreseeable delay in delivery of Products and/or (ii) the delay of any other performance obligations (iii) and/or the existence of performance obstacles (i.e. missing orders, non-functionable Electronic Data Interchange) including the reasons for and the expected duration of the delay.
5. Contract Fulfilment including Delayed Delivery
- 5.1 SUPPLIER acknowledges that the proper supply of Products, delivery times and quantities are of the essence of contract fulfilment. SUPPLIER shall bear the procurement risk along the supply chain unless the parties have agreed otherwise in writing. If SUPPLIER breaches an obligation under a Supply Contract, Order or transaction, SUPPLIER is obliged to compensate MAGNA for all damage caused by the breach unless otherwise provided by these Purchasing Conditions. This shall not apply if the applicable statutory law requires fault on the part of SUPPLIER for MAGNA to claim damages and the SUPPLIER is not responsible for the breach. MAGNA may claim compensation for resulting damage, unless otherwise provided by these Purchasing Conditions. This shall not apply if SUPPLIER is not responsible for the breach of duty, but the applicable statutory law provides for fault on the part of SUPPLIER. SUPPLIER shall be liable for breaches of duty and fault of its sub-suppliers in the same way as for its own breaches of duty and fault.
- 5.2 SUPPLIER agrees to take all actions necessary and appropriate to ensure that the Products reach MAGNA as required under the relevant Supply Contract or Order. Notwithstanding clause 4.6, should concrete circumstances or events become known to SUPPLIER which will or could lead to non-compliance with a delivery date or delivery quantity, SUPPLIER shall take all necessary and appropriate corrective measures and immediately notify MAGNA thereof.
- 5.3 With respect to SUPPLIER's delayed deliveries, the provisions of the applicable statutory law shall apply. In any case, SUPPLIER is obliged to compensate MAGNA for all damage caused by the delayed delivery. Physical acceptance of delayed Product deliveries shall not be considered a waiver of MAGNA's rights with respect to the delayed delivery.
- 5.4 During the delay or failure of performance of SUPPLIER, and for an appropriate period thereafter, MAGNA shall be entitled (i) to purchase replacement products from other available sources, which shall reduce the volume of the ordered Products by the amount of Products thus replaced, and/or (ii) to require SUPPLIER to use its best efforts to deliver replacement products from other available sources in the volume and by the deadlines specified by MAGNA and at the prices established in the Supply Contract or Order. If SUPPLIER cannot provide credible assurance that the delay will not exceed thirty (30) calendar days, or if the delay lasts longer than thirty (30) calendar days, MAGNA may terminate or rescind from the respective Supply Contract and/or Orders in total or only from the affected part from the respective Supply Contract and/or Orders without being liable to SUPPLIER and without being obliged to accept raw materials, unfinished or finished Products out of the terminated or rescinded Supply Contract and/or Orders from SUPPLIER.
6. Force Majeure
- 6.1 Force Majeure are unforeseeable and unpreventable occurrences which by a direct impact disables a party to perform a contractual obligation ("**Affected Party**") but are not caused by any error or fault by the Affected Party, and the effects of which could not reasonably have been foreseen, avoided or overcome by the Affected Party by taking appropriate measures in advance. Force Majeure can include, for example, natural disasters or other extreme occurrences such as unrest, war, sabotage, government actions and terrorist attacks. Increases in costs, whether for raw materials, shipping, labour, or otherwise, as well as other events that relate to the business operation of the parties shall not constitute Force Majeure.
- 6.2 For the duration of the Force Majeure event and to the extent of its impact on the Affected Party and the fulfilment of the contractual obligations, the Affected Party shall be released from the fulfilment of the respective contractual obligations. The Affected Party must be unable to fulfil the respective contractual obligation due to the event of Force Majeure.
- 6.3 In order to be released from the fulfilment of a contractual obligation due to Force Majeure, the Affected Party must notify the other party in writing of any non-fulfilment of contractual obligations due to Force Majeure (including the expected length of the occurrences and further impact on the proper performance of the contractual obligations) immediately after the Force Majeure has occurred, but no later than three (3) calendar days thereafter. The Affected Party claiming Force Majeure shall immediately provide the other party with all available evidence of the existence of Force Majeure and with comprehensive information on what has been done to remedy the impact on the contractual obligations. The Affected Party is obliged to do everything possible to eliminate the failure of performance of the contractual obligations and/or to mitigate the effects of the failure of performance, e.g. by procuring replacement products. If the failure of performance due to Force Majeure lasts longer than thirty (30) calendar days, MAGNA can terminate the Supply Contract and/or rescind from the Orders which are affected by Force Majeure without any therewith related liability or obligation towards SUPPLIER.
7. Notice of Defects
- 7.1 Section 377 of the Austrian Commercial Code (UGB) shall apply, subject to the provision that MAGNA will inspect delivered Products only for obvious transport damage and/or

- deviations in identity or quantity of the Products in accordance with the circumstances of an ordinary course of business. Following delivery, MAGNA shall give notice of any Defect after discovery of the Defect without undue delay in the ordinary course of business. To this extent, SUPPLIER waives its right to raise the defence of improper notice of defects on the grounds that MAGNA's notice of defects was late.
- 7.2 Payment shall not be considered as acceptance of the defective Products by MAGNA.
8. Quality and Warranty
- 8.1 SUPPLIER warrants that the Products comply with the agreed specifications, are fit for the agreed and intended purpose, are of merchantable quality and are otherwise free from defects in terms of the applicable law, particularly in respect of materials, workmanship and title and are handed over together with the agreed accessories and agreed and necessary instructions, including assembly and installation instructions. If and to the extent that SUPPLIER is responsible for the design and construction, it also warrants the fault-free design, construction and suitability of the delivered Products for the specific purposes for which they are purchased.
- Where the Products are or include software, SUPPLIER furthermore warrants that such Products: (i) do not contain any third-party software or code (including but not limited to free or open source software); (ii) do not contain, and any derivative works made from the Products are not required to contain, any notices or markings, (iii) are not subject to, and any derivative works made from the Products will not be subject to, any restrictions regarding use, modification, or attribution by or to MAGNA; (iv) are free from all clocks, timers, counters, computer viruses, malware, spyware, invasive programs, worms, software locks, logic bombs, drop dead devices, Trojan horses, trap doors, time bombs, or any other codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, destroy, damage or disable any hardware, software or system without written authorization by or on behalf of MAGNA. Regarding (i)-(iii), these warranties do not apply to the extent expressly (a) specified otherwise in the applicable statement of work or (b) expressly permitted in advance by MAGNA in writing.
- Unless otherwise agreed in writing, the Products must correspond to the latest state-of-the-art and the applicable quality and safety requirements, in particular and in any case at least comply with the provisions generally applicable in the automotive industry (e.g. VDA-standards) and the MAGNA requirements on chemicals management (e.g. Global Supply Chain Requirements) all in their version valid at the time of the respective Order (available at <http://www.magna.com/company/suppliers>) as well as all provisions under the applicable statutory or regulatory laws (e.g. End of Life Vehicles Directive, Regulation on Persistent Organic Pollutants (POP), Global Automotive Declarable Substances List, each in its valid version at the time of the respective delivery. As far as the Products are electronic parts, the Products shall be automotive certified in accordance with "AEC-Q". Notwithstanding the foregoing, SUPPLIER shall continuously monitor the quality of the Products and ensure that they are in conformity. SUPPLIER must submit correct and complete material data sheets in the IMDS (International Material Data System, [www.mdssystem.com](http://www.mdssystem.com)) to the respective specific IMDS ID of MAGNA and, in case of changes, must update the sheets and make them available to MAGNA without undue delay and without being asked.
- 8.2 In case of non-conformity of a Product with any of the requirements under clause 8.1 ("**Defect**" or "**defective Product**"), MAGNA has the right to choose the type of subsequent performance (repair or replacement of the Product). Place of subsequent performance shall be the intended location of the Products, i.e. the place where the Products are located at the time of the warranty claim. SUPPLIER may only refuse the type of subsequent performance chosen by MAGNA if the type of subsequent performance would create disproportionate expenses to SUPPLIER.
- 8.3 If SUPPLIER declines subsequent performance, if it has failed, if SUPPLIER does not comply with MAGNA's request for subsequent performance within a reasonable period of time or a subsequent performance is not reasonably tolerable for MAGNA, MAGNA has the right, in particular to avoid damage or in case of imminent danger, to remedy the Defect itself or through third parties at SUPPLIER's expense and risk.
- 8.4 SUPPLIER shall bear all costs for transport, travel, labour, installation, dismantling, destruction and material caused by the subsequent performance. If, as a result of a Defect, MAGNA incurs costs and expenses in connection with the repair or replacement of the defective Product, and MAGNA is reasonably entitled to make them to avoid a higher damage, in particular costs and expenses for sorting, for a Products inspection exceeding the regular scope, for an examination and analysis of the Defect, as well as costs for the involvement of external or internal staff, SUPPLIER shall bear and indemnify MAGNA from these costs unless SUPPLIER is not liable for the Defect.
- 8.5 If SUPPLIER becomes aware of circumstances, as a result of knowledge gained in the field, from test results or otherwise, or if it has a justified suspicion, that a Defect exists or may occur in products manufactured by MAGNA that may be related to or caused by Products supplied by SUPPLIER, SUPPLIER shall immediately notify MAGNA. The parties shall then immediately investigate the reason for the (possible) Defect and assess the impact on the safety of the Products or MAGNA's product as well as any potential risk of recall or other preventive field service actions, and if necessary, take immediate action up to and including precautionary replacement (also as preventive field service actions). To conduct the investigation, SUPPLIER shall provide all necessary or reasonably requested quality, test and other data to MAGNA.
- 8.6 SUPPLIER shall be liable without limitation for all damage incurred by MAGNA due to the supply of defective Products. In this regard, SUPPLIER shall indemnify, defend and hold MAGNA and its Affiliates harmless against all liabilities, costs, damages, losses and expenses (including in- and out-of-court costs, legal fees and expenses) caused by the supply of defective Products. This does not apply if SUPPLIER is not responsible for the supply of defective Products.
- 8.7 If MAGNA's customers are automotive manufacturers or their production parts suppliers and MAGNA and the customer reach an agreement about a special procedure for determining the scope of warranty obligations or damage compensation without a specific verification of the cause of the Defect in each individual case (by means of sample findings customary in the industry potentially limited to individual geographic markets - so-called "reference market procedure" - and/or by means of field data evaluation customary in the industry) and if the Defect is attributable to SUPPLIER's Product, SUPPLIER is willing to negotiate and agree with MAGNA in good faith, taking in consideration the interests of both parties, a corresponding special procedure to determine the scope of SUPPLIER's warranty obligations (without specific verification of the cause of the Defect in each individual case) to handle warranty cases on appropriate terms. Statutory or other contractual claims arising out or in connection with the supply of defective Products remain unaffected.
- 8.8 SUPPLIER hereby undertakes to set up and maintain a system to ensure traceability and identification of defects and failures of its Products, which enables it to delimit and trace such defects or failures both in time and in respect of quantities.
- 8.9 Unless a longer period has been expressly agreed, the warranty period shall be thirty-six (36) months and starts with the delivery of the Products to MAGNA or to a third party specified by MAGNA. In case the Product is subject to an acceptance, the warranty period shall start upon acceptance of the Products.
- If the Products will be integrated into a vehicle or used therein, the warranty period starts with the initial registration of the vehicle or the replacement of the Products as spare part or as part of a spare part in the vehicle. However, in this case the warranty period ends at the latest forty-two (42) months after delivery of the Products to MAGNA or to a third party specified by MAGNA.
- 8.10 For Products which were not operational or could not be used 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 or interruption of use.
- 8.11 If SUPPLIER fulfils its obligation of subsequent performance by repair or replacement, the warranty period for the repaired or replaced Product shall start anew insofar as the Defect concerns the same Defect which has caused the repair or replacement of the Product or is caused by a defective repair.
- 8.12 All other statutory warranty rights due to Defects, breach of contract or breach of other obligations remain unaffected.
9. Product Liability / Indemnification / Insurance
- 9.1 To the extent that a claim is made against MAGNA on the basis of product liability or manufacturer liability, SUPPLIER shall indemnify and hold harmless MAGNA against such third party claims and to reimburse MAGNA for any costs incurred in connection therewith, if and to the extent the loss was caused by a failure in the Products supplied by SUPPLIER. In cases of fault-based liability, this shall not apply where SUPPLIER is not at fault. In order to avert potential or threatened claims or claims which have been asserted, SUPPLIER shall cooperate with MAGNA to the greatest possible extent, including by providing staffing and material resources, such as technicians, test benches, etc.
- 9.2 Where, based on findings made in practice, test results or otherwise, SUPPLIER learns of facts or circumstances that may cause a product liability related problem (e.g. danger for life and limb) in respect of Goods manufactured by MAGNA and other services rendered by MAGNA which might be related to SUPPLIER's Products, of if SUPPLIER has a justified suspicion, SUPPLIER shall promptly inform MAGNA. The parties shall then promptly conduct an investigation to determine existence and cause of the problem and assess its impact on the safety of users and, where necessary, take immediate action, which may go as far as replacing the Products as a precaution (including in the field). For purposes of conducting such investigation, SUPPLIER shall provide all necessary quality, testing and other data.
- 9.3 In the event of a recall or a service campaign by MAGNA, MAGNA's customers or third parties which is due to possible defects or failures of SUPPLIER's Products, SUPPLIER shall reimburse MAGNA for the costs and expenses arising as a result of the recall or service campaigns, including the costs for remediating the defect or failure, costs of transport, de-installation and installation costs, costs of identifying and isolating the defect or failure, administrative costs and handling charges. To the extent that the duty to pay for the foregoing items pursuant to the terms of applicable law requires fault on the part of SUPPLIER, this shall (and the burden of proof applicable thereto under statutory law) shall also apply to the obligation to pay compensation under this clause.
- 9.4 SUPPLIER hereby further undertakes that it shall maintain in place a policy of product liability and recall campaign insurance with an appropriate sum assumed per personal injury / property damage as well as for financial loss, and shall keep evidence of such coverage available. MAGNA may demand that the insurance cover is confirmed by the insurer before or during an existing delivery contract. The insurance policies must cover all costs and expenses for judicial and extra-judicial disputes, in particular costs and expenses of legal counsel and compensation for damages based on settlements or court judgements. The insurance pay-outs made under insurance policies taken out by SUPPLIER and/or by MAGNA for SUPPLIER shall take precedence over any other coverage MAGNA receives or is entitled to receive. If SUPPLIER fails to comply with the obligations under this clause, MAGNA shall be entitled to take out appropriate insurance cover itself at SUPPLIER's expense.
10. Performance of Work
- Persons and third parties engaged/assigned by SUPPLIER for the performance of any of its obligations under the respective Supply Contract or Order, who will be physically present at MAGNA's premises or at premises of third parties specified by MAGNA, shall comply with the statutory laws and regulations, respective work and plant regulations of MAGNA or of such third parties specified by MAGNA. SUPPLIER shall be responsible for the instruction and safety of its employees and subcontractors as well as for the elimination of risks for third parties caused by or attributable to SUPPLIER. SUPPLIER shall only deploy suitable and sufficiently qualified employees and safe working equipment on MAGNA's premises.
11. Retention of Title and MAGNA-Materials
- 11.1 Unless otherwise agreed or provided by statutory law, title to the Products shall transfer at the time and place of delivery. Any right of SUPPLIER to retain ownership to the Products shall be excluded. Even if SUPPLIER retains ownership of the Products at delivery by any form of retention of title, MAGNA has the right to sell and further process the Products within the ordinary course of business and is not obligated to disclose the ownership or retention of title of SUPPLIER to its customers or third parties. A retention of title of SUPPLIER shall further only apply to the respective Product for which SUPPLIER still has a purchase price claim against MAGNA.
- 11.2 SUPPLIER is obligated to inform MAGNA immediately about any rights a third party might have regarding the Products. This also applies for any (potential) assignment of receivables by 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 to SUPPLIER. Those items shall only be used in accordance with the agreed terms of use and must be kept in proper condition by SUPPLIER. The processing and/or assembly of these items shall be carried out on behalf of MAGNA.
- 11.4 MAGNA shall become co-owner of the Products that are assembled or manufactured by SUPPLIER from (raw) materials and parts provided by MAGNA. The co-ownership share is based on the value of MAGNA's materials and parts in the manufactured Product.
12. SUPPLIER's Rights as to Assignment, Setoff and Retention
- 12.1 SUPPLIER is not entitled to partially or entirely assign its contractual rights (including its receivables against MAGNA) to third parties or to allow third parties to collect receivables without prior written approval by MAGNA. Should SUPPLIER assign its receivables against MAGNA without MAGNA's approval, then MAGNA may still pay the respective amounts to SUPPLIER with discharging effects.
- 12.2 SUPPLIER has the right of set-off and retention only if such rights are undisputed or confirmed by a legally binding judgment, or, with regard to the right of set-off, if it is legally related to MAGNA's liability. The right of retention must furthermore be based on the same contractual relationship.

13. Tools and Packaging
- 13.1 Clause 13 only applies to manufacturing tools and equipment which MAGNA provides to SUPPLIER by itself or by third parties or which MAGNA funds for the manufacturing of the Products by SUPPLIER ("**Tools**").
- 13.2 MAGNA (or a third party specified by MAGNA) reserves ownership to the Tools provided to SUPPLIER. Should the Tools be manufactured or sourced by SUPPLIER or a third party engaged by SUPPLIER, MAGNA will at the latest acquire full ownership of the Tools upon payment of overall 80 % of the agreed price to SUPPLIER and/or to the third party engaged by SUPPLIER. In all other cases, MAGNA shall become co-owner of the Tools in relation of the payment made up to that point to the agreed price. MAGNA owned Tools are held by SUPPLIER in fiduciary capacity. The Tools shall exclusively be used by SUPPLIER for the manufacturing of the Products ordered by and to be delivered to MAGNA. SUPPLIER shall mark all Tools in a way that the ownership of MAGNA (or a third party specified by MAGNA) is properly visible.
- 13.3 MAGNA may request SUPPLIER to hand over the Tool to MAGNA at any time. If the Tool is handed over, SUPPLIER's obligation to manufacture the Products to be manufactured with this Tool shall be suspended.
- 13.4 The risk of accidental loss or damage of the Tools in the premises or possession of SUPPLIER or its sub-contractors shall be borne by SUPPLIER. SUPPLIER shall immediately inform MAGNA of any disturbances regarding the Tools as soon as such events have occurred.
- SUPPLIER is obligated to insure all MAGNA or third party owned Tools at its own expense for original value against property damage and loss. SUPPLIER hereby assigns all payment claims related to the Tools against the insurer to MAGNA. MAGNA herewith accepts this assignment.
- 13.5 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 and in a timely manner. SUPPLIER is responsible for the safe and appropriate storage of the Tools.
- In case of suspension of delivery or in any case of default, insolvency proceedings regarding the assets of SUPPLIER, actual insolvency of SUPPLIER, or the termination of the Order or Supply Contract, MAGNA has the right to request the surrender of the Tools (also the Tools of the third parties specified by MAGNA) after paying the outstanding price of the Tools, if any. SUPPLIER has neither the right of retention nor any other right to keep the Tools. If MAGNA requests the surrender of the Tools, SUPPLIER shall make the Tools available for MAGNA to collect without undue delay.
- Should SUPPLIER have mandated a manufacturer to produce the Tool ("**Tool Manufacturer**") or in case such Tool is made available to a sub-supplier for the contract manufacturing of the Products ("**Contract Manufacturer**") or parts thereof, SUPPLIER is obligated to conclude an agreement with the Tool Manufacturer or Contract Manufacturer which grants MAGNA the same rights with regard to the Tools as stated in this clause 13. To the extent MAGNA has made payments for these Tools to SUPPLIER, the Tool Manufacturer or Contract Manufacturer, SUPPLIER hereby assigns on a pro rata basis all claims regarding the Tools against the Tool Manufacturer or the Contract Manufacturer to MAGNA and hereby transfers to MAGNA on a pro rata basis all rights in respect of these Tools. MAGNA hereby already now accepts such assignment and the transfer of rights.
- 13.6 As long as payments of SUPPLIER to a Tool Manufacturer, concerning the Tools, are not fully made by SUPPLIER and in case of the termination of the Supply Contract or Order between SUPPLIER and MAGNA, in case of impairment of performance, MAGNA has the right to pay the outstanding price of the Tools directly to the Tool Manufacturer instead of paying it to SUPPLIER. For this case SUPPLIER hereby assigns all claims concerning the Tools, inclusive the claims arising from title of ownership, against the Tool Manufacturer to MAGNA and already now transfers all rights on the Tools to MAGNA. MAGNA hereby accepts such assignment and the transfer of rights.
- 13.7 SUPPLIER shall not be allowed to relocate the Tools without prior written consent of MAGNA. Following EOP as defined in clause 17.1 and unless otherwise agreed, SUPPLIER shall maintain the Tools in good working condition ready for production of spare parts according to clause 17. The maintenance term shall not exceed the time in which SUPPLIER is obliged to supply spare parts pursuant to clause 17.
- 13.8 Clause 13.4 shall also apply accordingly for any packaging material paid by MAGNA.
- 13.9 SUPPLIER shall ensure that its sub-suppliers are contractually bound to comply with the provisions contained in clauses 13.3, 13.4, 13.6 and 13.7 and that this obligation is passed on accordingly along the supply chain.
14. Industrial Property Rights of Third Parties / Background-Foreground Rights, Know How
- 14.1 Industrial property rights for the purposes of these Purchasing Conditions shall include patents, utility models, design rights, trademarks, product designations, copyrights, property rights related to copyrights (including databases), other industrial and/or intellectual property rights irrespective of whether such have been registered or registration has been applied for (including the right to apply for one of the aforementioned property rights) and trade secrets including know-how (together "**Industrial Property Rights**"), whereas trade secrets mean any and all technical and commercial information that is not publicly known and not readily accessible and therefore of economic value, including, but not limited to, models, matrices, templates, patterns, specifications, drawings, sketches, tools and other manufacturing equipment as well as information designated as confidential and design data ("**Trade Secrets**").
- 14.2 SUPPLIER is obligated to indemnify, defend and hold MAGNA harmless (i) from and against all third party claims arising out of 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, (ii) from and against all claims by MAGNA's customers who are themselves facing claims by a third party due to the infringement of Industrial Property Rights if such infringement is related to and / or caused by Products supplied by SUPPLIER to MAGNA and/or which were delivered by MAGNA to its customer, whether in its original or in anyhow further processed/installed form, and (iii) shall reimburse MAGNA for all costs and expenses (included, but not limited to, in- and out-of-court costs, legal fees and expenses, as well as any costs arising from settlement agreements of such claims or actions) MAGNA might incur with respect to (i) and (ii) of this clause 14.2.
- Claims in accordance with this clause 14 against SUPPLIER shall become time-barred after three (3) years. The limitation period commences at the time when the claim arose and MAGNA obtained knowledge of the circumstances giving rise to the claim or would have obtained such knowledge if MAGNA had not shown gross negligence, but in any case and regardless of any knowledge within ten (10) years from delivery of the Products.
- 14.3 Clause 14.2 shall not apply (i) to the extent SUPPLIER has manufactured the Products in accordance with drawings, models or similar descriptions or information that were provided by MAGNA, (ii) to the extent the accordance to such technical instructions caused the infringement and (iii) SUPPLIER did not know and could not have known that Industrial Property Rights of third parties will be infringed.
- 14.4 SUPPLIER undertakes to inform MAGNA without undue delay of any (alleged) Industrial Property Right infringement they become aware of, if this infringement is related to and/or caused by Products delivered by SUPPLIER to MAGNA and/or caused by a Product delivered by MAGNA to its customers, whether it is in its original form or further processed / installed by MAGNA. SUPPLIER undertakes to support MAGNA free of charge in every reasonable way in the defence against potential claims by any third party. If SUPPLIER becomes aware of an (alleged) infringement of any third-party Industrial Property Rights, SUPPLIER shall take all necessary steps to secure the supply of the Products to MAGNA without such infringement, i.e. by obtaining a license or redesigning the Products (according to all contract requirements and qualification specifications) or taking other adequate steps to avoid such infringement.
- 14.5 Upon reasonable request by MAGNA, SUPPLIER shall inform MAGNA about the prior or current use of any published or registered Industrial Property Rights (including Industrial Property Rights applied for registration) which are owned by it or licensed to it and which are used in the design and/or manufacturing of the Products, or which otherwise affect or relate to the Products.
- 14.6 (a) If and to the extent SUPPLIER obtains any right, title or interest in or to Industrial Property Rights through any work ordered by MAGNA and performed by SUPPLIER in connection with the development of the Products ("**Development Work**"), and if MAGNA is obliged to make a payment for such Development Work in addition to or as part of the price for the delivery of the Products, SUPPLIER hereby assigns and transfers and agrees to assign and transfer any and all such right, title or interest to MAGNA for no additional consideration. MAGNA hereby accepts such assignment and transfer. As far as such assignment and transfer is not or not fully possible, SUPPLIER hereby grants to MAGNA, and MAGNA hereby accepts, exclusive, timely and geographically unrestricted, irrevocable, assignable and sub-licensable rights of use and exploitation currently known, including the right to duplicate and amend and also for types of use and exploitation which will become known in the future with regard to the Products and all results of the Development Work, free of additional charge. For the avoidance of doubt, payment by MAGNA for Development Work includes (one-off) payments as well as payments by way of a contribution to development costs or in any other manner.
- (b) As far as MAGNA is not obliged to make a separate payment for the Development Work, SUPPLIER hereby grants to MAGNA, and MAGNA hereby accepts, non-exclusive, timely and geographically unrestricted, irrevocable, assignable and sub-licensable rights of use and exploitation, including the right to duplicate and amend, with regard to the Products and all results of the Development Work, free of additional charge. For the avoidance of doubt, clause 14.6 (b) shall not apply to Products that are not incorporated into MAGNA's end product.
- (c) If and to the extent any right, title or interest in or to Industrial Property Rights through any Development Work ordered by MAGNA and performed jointly by MAGNA and SUPPLIER arises, such Industrial Property Right shall, as a general rule, be jointly owned in equal parts by MAGNA and SUPPLIER.
- 14.7 The application for registration and the assertion of Industrial Property Rights concerning Development Work paid by MAGNA, by whatever means and as described in clause 14.6 (a), shall be made solely by MAGNA (upon MAGNA's unilateral decision). If the Development Work is not paid by MAGNA, by whatever means, as described in clause 14.6 (b) SUPPLIER shall have the right to apply for registration, notwithstanding the license granted by SUPPLIER to MAGNA according to Clause 14.6. With regard to Development Work paid by MAGNA and performed jointly, as described in clause 14.6 (c) (i) MAGNA and SUPPLIER shall mutually agree on whether Industrial Property Rights concerning such Development Work shall be applied for registration and whether they shall be asserted against third parties and (ii) any application for registration or assertion of Industrial Property Rights shall be made jointly by MAGNA and SUPPLIER.
- 14.8 Inventions made by employees of SUPPLIER during the term of the contractual relationship resulting from their activities under the contractual relationship between SUPPLIER and MAGNA must be effectively claimed by SUPPLIER according to applicable law. Any remuneration that employees are entitled to for having made their invention shall be paid by either MAGNA or SUPPLIER depending on who is the employer of those employees. In other respects, the relevant laws shall apply.
- 14.9 (a) SUPPLIER hereby grants to MAGNA, and MAGNA hereby accepts non-exclusive, assignable, sub-licensable, timely and geographically unrestricted and irrevocable rights of use and exploitation, free of additional charge concerning Industrial Property Rights of SUPPLIER or its Affiliates which existed prior to the contractual relationship with MAGNA, in order to enable MAGNA to use, install, assemble, repair or otherwise modify the Products itself or by third parties for the own purposes of MAGNA or MAGNA's Affiliates or the customers of the aforementioned. The aforementioned stipulations of clause 14.9 (a) shall not apply to the extent the Products are not intended to be incorporated into or used in MAGNA's or MAGNA's customer's end-product being a vehicle or a part thereof.
- (b) If SUPPLIER is, for whatever reasons, not able or not willing to supply MAGNA with the amount of Products stipulated in the Supply Contract or Order or needed for the respective project with its customer, SUPPLIER hereby grants MAGNA and MAGNA hereby accepts, the rights of use and exploitation as described in clause 14.9 (a) to enable MAGNA to manufacture or rebuild the Products by itself or by third parties, for MAGNA's or MAGNA's Affiliates or the customers of the aforementioned own purposes ("**Emergency Manufacturing Right**"). This Emergency Manufacturing Right shall apply for an appropriate period MAGNA needs to establish a substitute supplier for the respective Products. If SUPPLIER hands over documents to MAGNA and/or its Affiliates and/or to a substitute supplier specified by MAGNA for this purpose, these documents shall be returned to SUPPLIER once the Emergency Manufacturing Right has expired.
- 14.10 The abovementioned rights granted to MAGNA will remain applicable even in the event of a premature termination of the contract between MAGNA and SUPPLIER. These rights granted to MAGNA relate to all (partial) results concerning Development Work at the time of the termination.
- 14.11 Notwithstanding any other rights of use, MAGNA may share the information received within the scope of the business relationship with its affiliated companies in compliance with legal restrictions such as competition law, unless otherwise expressly agreed in writing. This shall also apply to the disclosure to the respective customer of MAGNA and customer's affiliated companies, insofar as this serves the cooperation with this customer.
15. Hazardous Products and Materials/Notification
- 15.1 Together with the offer, SUPPLIER shall present MAGNA with a duly completed material safety data sheet in accordance with § 14 of the "Regulation on Hazardous Goods and Materials" ("Gefahrstoffverordnung") and an accident procedure sheet (Transport) concerning all materials (substances, their contents) and objects (Products, parts, technical equipment, uncleaned packages) that might cause dangers 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, SUPPLIER shall present MAGNA with an updated data sheet.
- SUPPLIER is obligated to present annually and upon request a valid "long-term supplier's declaration" which contains the product number and the code number (index of Products, external trade statistic) to MAGNA.
- 15.2 If SUPPLIER has made changes to the Product which it also delivers to MAGNA, SUPPLIER shall without undue delay inform MAGNA of such changes, irrespective of any other information requirements.
- 15.3 SUPPLIER must provide MAGNA with all information required in accordance with § 4 para. 1 of the Austrian Equipment and Product Safety Act 2004 ("Produktsicherheitsgesetz") and/or Art. 6 para 1 of the Regulation EU 2023/988 (GPSR), which is relevant for the assessment of effects on the safety and health to end-consumers. Inter alia, the following information shall be provided:
- the attributes of the Products including its content, packaging, assembly instructions, installation, maintenance and term of use;
  - the impact on other Goods and services, if the Product is expected to be used alongside other Goods and services;
  - 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 Products.
- 15.4 SUPPLIER shall comply with the Regulation EC 1907/2006 ("REACH Regulation") and the Regulation (EC) No 1272/2008 ("CLP Regulation") with regard to the Products delivered to MAGNA, including packaging.
- SUPPLIER is obligated to (pre-)register all substances contained in the Products delivered to MAGNA or their packaging by itself or by sub-suppliers, if SUPPLIER is subject to registration obligations according to REACH Regulation. If SUPPLIER is not obliged to register according to REACH Regulation, it shall oblige its sub-suppliers to comply with their obligations according to REACH Regulation.
- SUPPLIER delivering Products from outside the European Union to the European Union shall appoint an exclusive Representative in accordance with Art. 8 of REACH Regulation, who will fulfil the obligations of an importer arising from Title II of REACH Regulation.
- SUPPLIER shall provide MAGNA with an up-to-date, complete safety data sheet that complies with the requirements of REACH Regulation respectively the CLP Regulation with each delivery. As proof of ongoing compliance with the current legal requirements for declarable, restricted or banned substances, SUPPLIER must transmit correct and complete material data sheets in the IMDS (International Material Data System, www.mdssystem.com) to the respective specific IMDS ID of MAGNA and in case of changes to update and make them available to MAGNA without being asked.
- 15.5 SUPPLIER shall ensure that its (sub-)suppliers and all other suppliers of the supply chain, including the original producer, are being bound to the obligations of clause 15.4.
16. Quality Management and Documentation
- 16.1 SUPPLIER shall establish and prove a process-oriented quality-management system (minimum standard: ISO 9001 or IATF 16949 in the version valid at the time of Product manufacture). The certification must be proven to MAGNA by presenting the corresponding certificate in the MAGNA Supplier Portal. SUPPLIER shall also follow the recommendations of the VDA-script "Product Integrity" and the VDA-script "Product Compliance Volume 1: Product Compliance System" in the version valid at the time of Product manufacture. The certification must be proven to MAGNA by presenting the corresponding certificate in the MAGNA Supplier Portal. However, MAGNA may engage a third party obliged to confidentiality for the audit of such areas, such third party only to be rejected for serious cause.
- SUPPLIER further agrees to comply with the VDA-script "Protection of Quality in the Automotive Industry - Supplier Assessment, Master Sampling" ("Sicherung von Qualität in der Automobilindustrie - Lieferantenbewertung, Erstmusterprüfung") as well as the VDA-script "Protection of Quality of Deliveries/Supplier Selection/Manufacturing Process/Product Release / Quality Performance in Series" ("Sicherung der Qualität von Lieferungen / Lieferantenauswahl / Qualitätssicherungsvereinbarung / Produktionsprozess und Produktfreigabe / Qualitätsleistung in der Serie / Deklaration von Inhaltsstoffen") in the version valid at the time of Product manufacture.
- MAGNA and SUPPLIER can only agree in writing to a deviation from the applicable quality-management system. MAGNA may audit the efficiency of SUPPLIER's quality-management system at any time on SUPPLIER's premises by itself or by a third-party during business hours and with adequate prior notice. If SUPPLIER can demonstrate a justified interest in secret of certain plant areas especially towards MAGNA these areas are excluded from the audit by MAGNA, but not by reasonable third parties bound to secrecy.
- 16.2 SUPPLIER must have carried out a successful initial sampling and process approval before start of the serial production. The details of the PPF respectively the PPAP process and the associated initial sampling (PSW - Part submission warrant or initial sample testing) must be agreed in writing between MAGNA and SUPPLIER. Initial samples must be made available by SUPPLIER in a timely manner, in its entirety, in the then current version, free of damage and fully measured. The Production Part Approval (PPAP or PPF) shall not release SUPPLIER from its obligations and responsibilities.
- Only upon MAGNA's acceptance of the master sample, SUPPLIER can start the serial production and delivery. Independent of such an acceptance, SUPPLIER shall always verify the quality of the Products itself and shall perform outgoing product inspections. In case, an automotive manufacturer requires different or additional standards, they will be mutually agreed upon and implemented by SUPPLIER.
- If the agreed sampling is not successful, SUPPLIER shall bear all additional costs incurred by MAGNA that arise in direct connection with such sampling or the additional sampling process, as long as SUPPLIER is responsible for the negative result.
- 16.3 SUPPLIER shall pass on the obligations according to clauses 16.1, 16.2, 16.5 and 16.6 to its sub-suppliers relating to MAGNA supplies and verify compliance within the supply chain.
- 16.4 Drawings, CAD-data, description etc., attached or referenced in the Supply Contract or Order shall be binding for SUPPLIER. SUPPLIER is obligated to examine them for any kind of discrepancies. In case SUPPLIER detects actual or assumes potential discrepancies, SUPPLIER shall immediately inform MAGNA in writing. If SUPPLIER does not immediately inform MAGNA, SUPPLIER cannot claim at a later stage that such discrepancies exist. SUPPLIER is solely responsible for drawings, plans and calculations made by SUPPLIER even if MAGNA approved them.
- 16.5 Upon the delivery of tools or equipment to MAGNA, SUPPLIER shall also, at the latest upon delivery, hand over documentation concerning the handling, service, maintenance and repair of the tools and the equipment. SUPPLIER shall be responsible that the Products fulfil
- the regulatory requirements which are necessary for using the CE-labelling and shall affix the CE label to the Products accordingly.
- 16.6 In the case of Products subject to documentation ("dokumentationspflichtige Teile") (in particular vehicle parts) which are marked as such in the technical documents or defined as such by special agreement, SUPPLIER is obligated to document in special records when, in which way and by whom the characteristics subject to documentation were tested and what results the required quality tests yielded. The records and the documentation of the results shall be properly stored by SUPPLIER for fifteen (15) years and made available to MAGNA upon request. SUPPLIER shall comply with the applicable customer-specific requirements (Customer Specific Requirements - CSR) in the version valid at the time of Product manufacture. Unless otherwise agreed, the applicable minimum requirements of the VDA volume "Special Vehicle Parts at Automotive Manufacturers and their Suppliers, Performance and Documentation" ("Dokumentationspflichtige Teile bei Automobilherstellern und deren Zulieferanten, Durchführung und Dokumentation") shall always be applied and complied with.
- 16.7 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, SUPPLIER shall, on demand of MAGNA, grant authorities the identical rights MAGNA has towards SUPPLIER and shall support them with SUPPLIER's best efforts.
- 16.8 SUPPLIER is obligated to forward all required declarations about relevant origin of the products for customs ("zollrechtlicher Ursprung") to MAGNA in a timely fashion, but in any case no later than at delivery. SUPPLIER shall provide all relevant customs codes and whenever existing according to the Harmonized System (HS), whereas generally the 6-digit codes should be provided and whenever useful to MAGNA the TARIC codes. SUPPLIER shall be liable for any disadvantages incurred by MAGNA due to the improper or delayed provision of the required "Supplier-Declaration", unless SUPPLIER is not responsible for such delay or impropriety. Upon request by MAGNA, SUPPLIER must 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
- 17.1 Unless otherwise agreed in writing and whether or not a Supply Contract or Order remains in effect, SUPPLIER will provide MAGNA, following the end of SUPPLIER's supply of Products for MAGNA's serial production (End of Production, "EOP"), with sufficient quantities of Products for use as spare parts for a period of fifteen (15) years ("**Project Term**"). SUPPLIER shall ensure that its sub-suppliers (who are fully or partially involved in the manufacture of Products for MAGNA) are contractually bound to comply with this obligation and that this obligation is passed on the respective sub-suppliers accordingly along the supply chain.
- 17.2 The last price valid for the serial delivery of the Products plus additional costs for custom packaging, if any, less any assembly costs no longer incurred shall apply to the spare parts for a period of three (3) years after EOP. The price for spare parts shall be determined new after such three (3) years on the basis of a cost analysis. Until such mutual determination the last price as defined in sentence 1 continues to apply.
18. Handing-Over and Use of Working Appliances
- Fixtures, samples, models, drawings or other documents ("**Working Appliances**") that were made by SUPPLIER in accordance with instructions provided by MAGNA shall become the property of MAGNA upon payment by MAGNA. Effective upon payment, SUPPLIER borrows those Working Appliances from MAGNA. These Working Appliances shall only be used by 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. SUPPLIER shall, at its own expense and risk, keep the Working Appliances free of charge and in good care. Upon MAGNA's request, SUPPLIER shall return them at any time without having any kind of set-off or retention right unless agreed to by the Parties in writing.
19. Termination
- 19.1 In addition to all of the other rights to terminate a Supply Contract or rescind an Order, in the event of a Supply Contract or Order for performance of recurring obligations (i.e. a framework contract or other long-term supply agreement), MAGNA may terminate the Supply Contract or rescind the Order without the necessity of a good cause in any case with a notice period of six (6) months to the end of a calendar month. An ordinary right of termination of SUPPLIER shall be excluded until EOP (as defined in clause 17.1) or the end of the Project Term agreed between MAGNA and its customer, whichever occurs later.
- If a Supply Contract or an Order is terminated or respectively rescinded by MAGNA without cause and pursuant to the first paragraph of this clause 19.1 above, MAGNA shall be obliged to pay (i) the agreed price for all Products delivered and not yet paid for, (ii) the actual and reasonable costs for semi-finished Products, raw materials and other components, insofar as their production and/or procurement was reasonably necessary, taking into account the Supply Contract and the previous demand figures, and to the extent SUPPLIER demonstrates that these costs could not be reduced after receipt of the notice of termination or respectively rescission and these materials could not be used elsewhere, as well as (iii) the demonstrably non-amortised part - the basis for calculation is the cost break down agreed with MAGNA - of the specific investments in technical equipment and machinery, only for this terminated/rescinded supply relationship and which SUPPLIER disclosed to and reconciled with MAGNA prior to entering into this supply relationship and which SUPPLIER made in reasonable reliance on their amortisation through this supply relationship, insofar as SUPPLIER proves that, as a result of the termination or respectively rescission, there is no longer any economically reasonable possibility of use for these investments and that they were reasonably necessary in order to be able to fulfil its obligations from the supply relationship affected by the termination/rescission, whereby the amount to be reimbursed is in any case capped by the remaining amortization that realistically could still have been expected at the time of termination/rescission if the supply relationship had been continued. MAGNA shall have no further obligations to provide compensation in connection with the termination/rescission.
- In addition to all other termination rights, MAGNA may without any notice period terminate a Supply Contract, or rescind an Order, related to Products that are ultimately installed or used in a vehicle if and to the extent that MAGNA's customer and/or the relevant automobile manufacturer has terminated the relevant vehicle program, or the deliveries and services ordered from MAGNA. In this case, the compensation obligations pursuant to the second paragraph of clause 19.1 above shall apply.
- In addition, MAGNA shall be entitled to terminate a Supply Contract or rescind an Order without notice period at any time until acceptance, insofar as an acceptance has been agreed, if and insofar as the contractual object is a contract for work or for a service. Insofar as MAGNA has terminated or rescinded, MAGNA shall reimburse SUPPLIER for the (i) expenses and (ii) costs demonstrably incurred and reasonably necessary up to the termination or rescission and directly resulting from the commissioned work/services, insofar as the latter result from liabilities that cannot be redeemed and cannot be used otherwise, up to a maximum of the agreed remuneration. SUPPLIER shall not be entitled to any further claims for performance or compensation of whatever kind in the event of termination.

- 19.2 In addition to all other rights to terminate a Supply Contract or to rescind from an Order, MAGNA may also terminate a Supply Contract or rescind from an Order, in full or in part, for cause with immediate effect, and without any further liability or compensation to SUPPLIER. In particular, MAGNA may terminate or rescind with immediate effect in the following cases:
- (i) if SUPPLIER commits a material breach of the Supply Contract or Order, MAGNA notifies SUPPLIER of the breach, and SUPPLIER fails to cure the breach within a reasonable period set by MAGNA;
- (ii) if SUPPLIER admits that it is unable to pay its debts as they become due or there is a significant deterioration in the economic situation of SUPPLIER;
- (iii) it becomes apparent on the basis of objective indications that the financial circumstances of SUPPLIER deteriorate after conclusion of the Supply Contract or placement of the Order to such an extent that delivery in accordance with the Supply Contract or Order cannot be expected, or, if for insufficiency of assets an application for the opening of insolvency proceedings has been rejected or the opening of such proceedings has been refused;
- (iv) upon a Change of Control of SUPPLIER. "Change of Control" means (a) change of the direct or indirect shareholder in its total 50 % or more of SUPPLIER's voting shares or (b) sale of substantially all of a SUPPLIER's assets, unless such Change of Control is a mere internal corporate reorganisation within SUPPLIER's group of companies without any change in the ultimate control upon SUPPLIER.
- 19.3 In the event of a partial termination or rescission of a Supply Contract or Order that has not yet been completely fulfilled, SUPPLIER shall remain obligated to fulfil the non-terminated /non-rescinded part of the Supply Contract or Order.
- 19.4 In case of termination or rescission, MAGNA shall have the right to set off with (i) a receivable MAGNA has towards the SUPPLIER or an Affiliate of SUPPLIER (as defined in clause 1.4) or with (ii) a receivable of an Affiliate company of MAGNA has against SUPPLIER or an Affiliate of SUPPLIER, against a receivable SUPPLIER has towards MAGNA.
- 19.5 If Supply Contract or Order ends, MAGNA will be entitled to share all Confidential Information as defined below in clause 20.1 that is related to the terminated or rescinded business relationship and that is necessary to manufacture the Products previously supplied by SUPPLIER and for covering MAGNA's needs, unless and to the extent the Confidential Information concerned is protected by unpublished Industrial Property Rights and MAGNA has no right to disclose such Confidential Information or to use or sublicense such Industrial Property Rights.
- 19.6 Termination or rescission of any Supply Contract or Order shall be without prejudice to the accrued rights and duties of the parties and shall not affect the applicability or further applicability of any clauses of these Purchasing Conditions or any Supply Contract or Order which expressly or implicitly should apply following a termination or rescission.
20. Confidentiality and Data Protection
- 20.1 SUPPLIER shall handle confidentially all information which is, in the scope of the business relationship with MAGNA, disclosed directly or indirectly from MAGNA or from Affiliates of MAGNA and (a) are marked confidential or (b) are usually and/or reasonably considered as confidential, in particular according to the type of information or the circumstances the transmission of the information, as confidential ("**Confidential Information**"). Confidential Information within the meaning of this clause includes but not limited to:
- (i) prototypes, test parts or samples;
- (ii) Trade Secrets, know-how, ideas and inventions or results;
- (iii) existence and content of the business relationship, agreements and drafts, tender documents, technical specifications, process descriptions, volume and cost data;
- (iv) other not publicly available information, including knowledge of internal circumstances and processes that is obtained in the course of the business relationship or the business correspondence and personal data held.
- SUPPLIER shall only use such Confidential Information in connection with and to the extent necessary for the supply relationship, regardless whether such Confidential Information has been disclosed to SUPPLIER or an Affiliate of SUPPLIER. SUPPLIER undertakes to neither pass such information on to third parties nor otherwise make such accessible in any other way, and to take all reasonable precautions in order to prevent any access by third parties, except to the extent approved prior and in writing by MAGNA.
- 20.2 An information is not classified as Confidential Information, if this information:
- (i) is or becomes publicly available without breach of the confidentiality obligations;
- (ii) is provided to SUPPLIER by a third party which was entitled to provide such information and which was not subject to a confidentiality obligation;
- (iii) was already known to SUPPLIER prior to the receipt of the Confidential Information;
- (iv) was independently developed by SUPPLIER without use of or reference to the information of MAGNA.
- SUPPLIER who claims one or more exceptions shall prove the underlying factual basis.
- 20.3 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.
- 20.4 The confidentiality obligations under this clause 20 shall not apply if and to the extent that Confidential Information must be disclosed due to mandatory judicial, official or statutory regulations or orders, whereby the disclosure shall be kept to a minimum and SUPPLIER shall inform MAGNA to the earliest possible time and, if possible, prior to the intended disclosure.
- 20.5 This confidential obligation applies to all employees, Affiliates of SUPPLIER or third parties engaged by SUPPLIER ("**Third Persons**") in the business relationship with MAGNA independent of their contractual relationship. SUPPLIER shall bind all those Third Persons who have access to the Confidential Information, prior to the disclosure of Confidential Information, to confidentiality obligations equivalent to the obligation set out in this clause 20. SUPPLIER will keep the number of such Third Persons as small as possible with respect to the confidentiality and the disclosure of Confidential Information limited to the need to know.
- 20.6 If not otherwise agreed, the confidentiality and use restriction obligations apply for the duration of the business relationship and shall continue to apply as long as MAGNA has a legitimate interest in maintaining confidentiality and end at the earliest seven (7) years after termination of the business or contractual relationship or completion of the purpose of confidentiality.
- 20.7 Any other statutory confidentiality rights remain unaffected.
- 20.8 SUPPLIER shall comply with applicable statutory data protection regulations (such as the General Data Protection Regulation and applicable national data protection laws) in connection with the business relationship with MAGNA. In particular, SUPPLIER shall, in cases where SUPPLIER processes personal data in the context of the contractual relationship with MAGNA, execute the data processing agreement(s) that MAGNA provides
- in the respective context which are necessary under applicable statutory data protection regulations.
21. Compliance
- 21.1 SUPPLIER shall comply with all applicable laws, standards and official rules and regulations, including antitrust and competition law, prevention of corruption, prevention of money laundering, export control and data protection. This includes the existing legal provisions at the registered office of SUPPLIER as well as at the production site of SUPPLIER. Further, SUPPLIER shall comply and implement the principles and regulations for MAGNA Suppliers outlined in the "Supplier Code of Conduct & Ethics", the "Global Labour Standards", the "Global Supply Chain Requirements" and the "Global Packaging & Shipping Guidelines", in each version valid at the time of Product manufacture (regularly updated version available on the following website <https://www.magna.com/company/suppliers>). These essentially concern the protection of universal human rights, elimination of forced labour and abolition of child labour, elimination of discrimination in respect of employment and occupation, and environmental responsibility. If necessary, MAGNA can provide training courses for the employees and other personnel of SUPPLIER.
- SUPPLIER is obliged to procure and provide MAGNA with all information and documents from its sphere of responsibility (including its entire supply chain) that MAGNA requires to fulfil all regulatory requirements arising from the Supply Contract or Order. These requirements include, in particular, the EU's Carbon Border Adjustment Mechanism (CBAM) and the German Act on Corporate Due Diligence Obligations in Supply Chains (LKSG).
- 21.2 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 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 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; (v) make any agreements with other undertakings or to participate in concerted practices which have as their object or effect the prevention, restriction or distortion of competition under applicable antitrust regulations.
- In case SUPPLIER is in contact with a Public 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 Public Official and (iii) to provide MAGNA monthly a detailed expense report, with all original supporting documentation. A "**Public Official**" is any person performing duties on behalf of a public authority, government agency or department, public corporation or international organization.
- 21.3 In case SUPPLIER regularly provides its services with its own employees on MAGNA premises at least once a week, SUPPLIER shall participate in any audit, investigation, certification, or screening process to verify the terms and conditions of employment for such employees working on MAGNA premises. Limited to the purpose of verifying compliance with applicable laws regarding the terms and conditions of employment, MAGNA may require SUPPLIER to disclose the personal information necessary to confirm lawful employment practices as far as legally permissible. The disclosure shall, if not otherwise agreed, include the surname, first name, nationality, age, and work permits, if any, as well as the disclosure of pay slips of the pertinent employees. SUPPLIER shall ensure that provision of the data is in accordance with applicable data protection laws and regulations. MAGNA processes provided personal data in strict confidence, in compliance with applicable data protection laws and regulations, to the extent required and subject to the audit and according to the MAGNA data privacy statement, available at: <https://www.magna.com/privacy>. SUPPLIER must ensure that the privacy statement will be made known to affected subjects in a suitable manner.
- 21.4 SUPPLIER shall respond to inquiries of MAGNA to compliance, social responsibility and sustainability in the supply chain within reasonable time. In the event of a suspected violation of the obligations under clause 21.1 and 21.2, SUPPLIER shall promptly investigate any potential violations and inform MAGNA of investigative measures undertaken, and, where warranted, notify MAGNA of the affected sub-suppliers. If the suspicion proves to be warranted, SUPPLIER must inform MAGNA within a reasonable period of the measures undertaken internally within its organization in order to prevent future violations. Upon MAGNA's request, SUPPLIER confirms in writing that it adheres to the obligations under this clause 21 and that SUPPLIER is not aware of any (further) breaches of the obligations under this clause 21, other than the breaches described therein, if any.
- 21.5 If SUPPLIER cannot remedy a violation of clause 21.1 within its own business in the foreseeable future, MAGNA may require SUPPLIER to actively participate in the joint development and implementation of an action plan to remedy the violation. During the implementation of the action plan to remedy the violation or to minimize the risks of a violation, MAGNA may temporarily suspend the execution of the business relationship with SUPPLIER.
- In case of reasonable suspicion that the obligations under clause 21 were not met, MAGNA has the right, after notifying SUPPLIER regarding the reasonable suspicion, to demand of 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.
- If 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 or Orders. These termination rights also apply in the event of serious one-time violations unless SUPPLIER is not at fault. In addition, existing contractual and/or legal termination rights continue to exist independently and unlimitedly.
- 21.6 SUPPLIER shall indemnify MAGNA and MAGNA's Affiliates and employees from any liability claims, demands, damages, losses, costs and expenses that result from a culpable violation of this clause 21 by SUPPLIER.
- 21.7 SUPPLIER shall ensure to pass on the provisions of this Compliance clause 21 to its sub-suppliers and to bind its sub-suppliers accordingly. In order to establish, enforce and maintain compliance obligations in the supply chain, SUPPLIER shall further make best efforts to oblige its sub-suppliers to pass on the compliance obligations of this clause 21 in the contracts with their sub-suppliers and to pass on the compliance obligations along the supply chain.
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 and data belonging to MAGNA or having been received by MAGNA including, without limitation, not loading any Confidential Information provided by MAGNA to 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's software used or delivered in connection with the contractual relationship with MAGNA shall not contain any elements that endanger the integrity, authenticity, confidentiality and availability of the Products, other data or other hardware and software, including no element that may lead to (i) transmission/extraction or (ii) change/manipulation or (iii) initiation/expansion of data which has not been accepted in writing by MAGNA.
- 22.5 SUPPLIER agrees that it shall inform MAGNA in writing 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.
- 22.6 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 specific cases incurred by the incident 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.
- 22.7 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. If 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.
- 22.8 Delay in payment of deliveries made by SUPPLIER that is caused by a cyber-security incident of SUPPLIER's system is not default in payment.
- 22.9 MAGNA has the right, either directly or through a reputable third party engaged by MAGNA at its own expense, to visit SUPPLIER's premises in case of justified reasons or at least once per calendar year in order to review and audit on SUPPLIER's business operations related to SUPPLIER's Products in terms of technical infrastructure, information or data systems interaction, organization, quality, quality control and personnel engaged in providing Products for MAGNA.
- 22.10 MAGNA shall have the right, depending on the nature and the need for protection of the data in connection with the manufacturing and delivery of the product, to demand adequate safeguards and proof of an appropriate level of information security within SUPPLIER's business as required by the automotive manufacturer and/or MAGNA's customer, in particular by providing appropriate certificates (e.g. ISO/IEC 27001 "Information technology - Security techniques - Information security management systems - Requirements") or certification according to the VDA model TISAX (Trusted Information Security Assessment Exchange). MAGNA and SUPPLIER may agree on an appropriate time frame for the initial certification of a site under TISAX. The audit right in clause 22.9 shall apply accordingly.
- 22.11 SUPPLIER will ensure that its sub-suppliers (to any supplies to MAGNA) are contractually bound to comply with the provisions contained in the entire clause 22 except for 22.7 and 22.8 and that this obligation is passed on accordingly along the supply chain.
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. The same applies for any promotion purpose of SUPPLIER with reference to the Product used by MAGNA's customers.
- 23.2 Only upon prior written approval by MAGNA shall SUPPLIER be allowed to engage in promotional activities regarding the business relationship with MAGNA.
24. General Provisions
- 24.1 MAGNA shall have the right to set off with (i) a receivable MAGNA might have towards an Affiliate of SUPPLIER or with (ii) a receivable an Affiliate of MAGNA might have against SUPPLIER or an Affiliate of SUPPLIER, against a receivable SUPPLIER has towards MAGNA.
- 24.2 Any provision of these Purchasing Conditions, any Supply Contract or any other agreement made within the business relationship which is or shall become invalid shall not affect the validity and enforceability of other valid provisions or agreements. The parties agree that such invalid provision shall be replaced by a valid and enforceable provision having similar economic consequences.
- 24.3 The place of the performance shall be the registered office of MAGNA. For the delivery as such, another rule can be determined.
- 24.4 The exclusive jurisdiction and venue for all legal disputes arising from or in connection with the business relationship between MAGNA and SUPPLIER shall be the competent court at MAGNA's principle place of business. 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 If MAGNA has no registered seat in Austria, the court with subject-matter jurisdiction for Vienna / Austria, 1st district shall have non-exclusive jurisdiction for all legal disputes arising from or in connection with the business relationship between MAGNA and SUPPLIER.
- 24.6 The laws of Austria shall exclusively apply to these Purchasing Conditions and any Supply Contract and Order which refer to or include these Purchasing Conditions, unless otherwise agreed to in writing. The application of the Convention of the United Nations of 11.04.1980 on Contracts regarding the International Sale of Goods (CISG) shall be excluded.
- 24.7 These Purchasing Conditions are being issued in a German and in an English language version. In case of a discrepancy of the two versions, the English version shall prevail, except if not permitted by applicable law.

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