



**SUPPLEMENTAL CLAUSES TO MAGNA'S PURCHASE ORDERS
TERMS AND CONDITIONS FOR PURCHASE ORDERS ISSUED TO SELLERS LOCATED IN
MEXICO**

Effective Date: September 1, 2021

Buyer and Seller agree that clauses contained in these supplemental clauses (the "**Supplemental Clauses**") shall modify the Purchase Order Terms and Conditions dated July 1, 2017, (the "**Terms**") when Buyer and Seller are located in the United Mexican States and the Buyer has issued a Purchase Order to Seller on or after September 1, 2021. If there is any difference between the Terms and the Supplemental Clauses, the Supplemental Clauses shall prevail.

Unless otherwise defined herein, defined terms used in these Supplemental Clauses shall have the same meaning as such terms have in the Order.

1. Amendment to Clause 17 (Materials, Equipment, Tools and Facilities)

(a) For the purposes of paragraph (b) of Clause 17, the Buyer's Property, while in Seller's custody or control and while in the custody or control of Seller's suppliers, contractors or agents, shall be marked and adequately identified as the Buyer's Property, and to the extent possible, will be isolated from Seller's property.

(b) Paragraph (e) is added to clause 17 as follows, under the following terms:

"(e) At the Buyer's request, the parties shall enter into a separate bailment agreement regarding Buyer's Property, which shall serve as supplemental to the Order. In the event of contradiction between the bailment agreement and the Order, the bailment agreement shall prevail, and all rights and obligations of the parties covered by the bailment agreement shall be governed by the law applicable to the bailment agreement. To the extent there is no contradiction between the bailment agreement and the Order, such rights and obligations under both contracts shall be governed as per their respective applicable law."

2. Amendment to Clause 18 (Intellectual Property)

For the purposes of paragraph (c) of Clause 18, when Seller is located in the United Mexican States, the Seller will not be obliged to give the Buyer the moral rights over copyright created as a result of compliance with the obligations of Seller under this Order. Seller will cooperate and take all actions that may be required to grant the economic rights to the Buyer without any reservation or limitation.

3. Amendment to Clause 23 (Insurance)

(a) For the purposes of paragraph (a) of Clause 23, when Seller is located in the United Mexican States, the Seller will not be obliged to purchase an employer's liability insurance policy and employee compensation. Notwithstanding the above, the Seller shall be obliged to register all of Seller's employees with the Mexican Social Security Institute, and to comply with all obligations related to it.

4. Amendment to Clause 24 (Termination for Convenience upon Notice)

For the purposes of paragraphs (a), (b), (c) and (d) of Clause 24, the termination of the Order shall be effective, subject to the terms and conditions of the Order, without need of a judicial resolution, judgment, order or determination.

5. Amendment to Clauses 24, 25 and 26 (Causes for Convenience upon Notice, Seller's Default or Change Control, Bankruptcy, etc.)

For the purposes of paragraph (a) of Clause 26, an Insolvency Event may also occur where (i) if any party is in the process of liquidation and/or dissolution, and (ii) if a liquidation and/or dissolution is approved or a liquidator is appointed in respect of any party.

Buyer's rights to terminate this Order as established under Clauses 24, 25 and 26 of the Terms may be exercised by Buyer without the need for judicial declaration.

6. Amendment to Clause 38 (Relationship of the Parties)

For the purposes of Clause 38, the Seller shall supply sufficient and qualified personnel for rendering services that are necessary for the production and delivery of the Goods and Services. Seller shall prepare and file all returns and pay all required Mexican payroll taxes applicable to the services rendered to deliver the Goods and provide the Services, including but not limited to payments to the Mexican Social Security Institute, Retirement Fund Plan ("SAR") and fees for the National Institute for Promotion of Worker Housing ("INFONAVIT"), as well as any other applicable taxes or fees, whether federal, state or municipal, required under Mexican laws and regulations related to its personnel and to the immigration permits, health care obligations and pension plan contributions, if applicable; and shall show to Buyer the corresponding documentation evidencing compliance with the obligations referenced the above. Seller shall immediately notify Buyer of any disputes between Seller and its personnel, the Mexican taxing authorities, any labor union, federation or labor coalition that represents Seller's employees, if such disputes or disagreements may result in Seller receiving a strike notice or in having its assets being subjected to liens, mortgages, attachments or encumbrances of any nature. Seller shall be responsible for all labor matters, labor claims or lawsuits and for complying with all applicable obligations derived from the Federal Labor Law, Social Security Law, INFONAVIT Law, Income Tax Law, State and Federal Payroll Tax Laws, Sanitation Laws, Environmental Laws and regulations, as well as any other applicable law or regulation in force in Mexico. Seller's obligations will extend to any contractor or subcontractor contracted by Seller to perform any or all of the services related to the Goods and Services and will survive the termination of the Order. Seller shall indemnify and save Buyer harmless from any claims or lawsuits brought against Buyer, including substitute employer claims or lawsuits, present or future, filed by Seller's personnel, a union or by any government or other entity. Seller is obligated to use, in the rendering of the services relating to the Order, solely and exclusively those workers and employees that have previously been registered into the mandatory Social Security regime paid by Seller. Breach of this provision will subject Seller to the payment of all damages caused to Buyer and shall reimburse Buyer any expense incurred by the Buyer, including without limitation legal fees, and in such circumstances Buyer shall also have the right to immediately terminate the Order without the need for judicial intervention.

Seller, its officers, directors, contractors, subcontractors, agents, employees, representatives and guests do not have any labor relation whatsoever with Buyer, its officers, directors, contractors, subcontractors, agents, employees, guests, subsidiaries, affiliates and parent companies. The indemnity provisions hereof apply with respect to any and all labor or employment claims.

In the event that this Purchase Order implies that Seller shall render a Specialized Service or Specialized Works to Buyer, as such term is defined in article 13 of the Federal Labor Law. The Seller shall comply with the following requirements:

- a) To have its corresponding registration for Specialized Services or Specialized Works before the Secretary of Labor and Social Welfare. Such registration shall be in force during the term of this Order. Provided that if Registration is canceled, revoked or expires, Supplier will be responsible to immediately notify Buyer.
- b) Identify its personnel who render the specialized services or work at Buyer's facilities, through a badge that will include a picture, name and/or identity code that links such personnel with the Seller.
- c) Submit on time the information and documents required by the corresponding authorities that oblige to those individuals and legal entities that are registered under the terms of article 15 of the Federal Labor Law, in order to provide the specialized services or works and to comply with the reports required by the applicable law, including without limitation the Report of Contracts for Specialized Services and Works.
- d) Deliver to the Buyer on a monthly basis, the documents required by the different tax, labor and social security provisions with respect to the specialized works and specialized services provided by the Seller

under this Order. In the event that the documents and/or information provided by the Seller is not complete or it presents a breach by the Seller, Buyer reserves the right to withhold payments to the Seller and deny the entry of the latter's personnel to the Buyer's Facilities, until such breach is fulfilled.

- e) Seller shall indemnify and hold Buyer harmless from and against all liabilities, demands, claims, losses, costs, damages, expenses of any kind, legal procedures, fines or penalties arising from or relating to Seller's and/or its subcontractors or suppliers' non-compliance with the foregoing and to reimburse the Buyer any payment made on this regard.

7. Amendment to Clause 42 (Governing Law and Jurisdiction)

For the purposes of paragraph (a) of Clause 42, this Order shall be interpreted and enforced in accordance with Mexican law. In any case, all Goods and/or Services supplied by Seller shall meet the highest quality and automobile industrial standards in accordance with international practice and commercial customs. For greater certainty, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Order.

For the purposes of paragraph (b) of Clause 42. All disputes arising out of or in connection with this Order shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules"). For the purposes of Article 30 of the ICC Rules, the Parties agree to opt out of the expedited procedure.

The place of the arbitration shall be Mexico City, Mexico. The language to be used in the arbitral proceedings shall be English.

The award debtor shall pay the award creditor's costs, expenses and attorney fees associated with the arbitration. The parties acknowledge and agree that the arbitrators shall have authority to allocate the costs or expenses of the arbitration, including the arbitral tribunal's fees, to such party.

Arbitration proceedings under this contract may be consolidated with other arbitration proceedings pending between the parties or arbitration proceedings pending between other parties if the arbitration proceedings arise from the same transaction or relate to the same subject matter, regardless of the governing law of the relevant contracts. Consolidation will be by order of the ICC Court, in accordance with the ICC Rules.

Notwithstanding anything to the contrary, either party may apply to a court for interim measures. In addition, the parties hereby authorize such court, any emergency arbitrator and the arbitral tribunal to grant any interim measures it deems appropriate. For the avoidance of doubt, in either case, the interim measures may consist in any relief the arbitral tribunal could order in the final award, including repossession of goods and temporary recovery of assets.