**FRAMEWORK SUPPLY AGREEMENT**

entered into by and between

**1.** [●]

having its registered business seat at [●] and with business address at [●], [●]
registered in the commercial register of the [●] under no. [●]and DUNS [●]
– hereinafter referred to as „**Supplier**“ –

and

**2.** [●]

 having its registered business seat at [●] and with business address at [●], [●]

 registered in the commercial register of [●] under no. [●]

– hereinafter referred to as „**Cosma**“ –

- Supplier and Cosma shall hereinafter jointly be referred to as the **"Parties"** or individually as one **"Party"**. –

as follows:

**1. Subject Matter of the Contract**

This framework agreement shall not establish any obligation on the part of Cosma to commission the Supplier or to purchase parts. It is intended solely to regulate the framework conditions for the purchase of parts in the event of individual contracts (in particular through call-offs and orders) for parts between the Supplier and Cosma.

**2. Applicability of the Framework Contract**

The provisions of this Framework Agreement shall apply to all Individual Agreements for parts from the date of signature of this Framework Agreement, even in the event that the Individual Agreement does not explicitly relate to this Framework Agreement.

The supplier is aware that Cosma is in principle only prepared to conclude individual contracts under the validity of this framework agreement.

**3. Legal Basis/Applicable Documents and their Order of Precedence**

Legal basis (in the following descending order of precedence):

1. the present Framework Agreement;
2. Request for price quote (RFQ) submitted by Cosma of [●]; **(Appendix 1)**
3. **Article List (Appendix 2)**
4. Confidentiality Agreement **(Appendix 3)**
5. Specifications [e.g. Declaration of Manufacturability/Declaration of Feasibility] submitted by Cosma of [●]; **(Appendix 4)**
6. Cost Break Downs **(Appendix 5)** including data status in accordance with corresponding Article List (Appendix 2)
7. Cosma Logistics Manual of [●]; **(Appendix 6)**
8. [Quality Supply Agreement (QSA)] of [●]; **(Appendix 7)**
9. the offer submitted by the Supplier on [●], with the exception of any price components and references to the General Terms and Conditions of Delivery / Sales; **(Appendix 8)**
10. General Purchasing Conditions of the Magna Companies, (see: <https://www.magna.com/company/suppliers/europe>)
11. Magna Global Supply Chain Requirements (see also: <https://www.magna.com/company/suppliers/global-supply-chain-requirements>);
12. applicable technical standards; and
13. Austrian law.

**4. Planned volume**

4.1 No undertaking or guarantee of a specific quantity

Cosma shall not make any representation, warranty, guarantee and/or warranty of any kind, express or implied (conclusive), with respect to any minimum purchase quantity of any parts.

4.2 No claim to exclusivity

 The Supplier hereby acknowledges that Cosma may also commission other suppliers with the delivery of the parts. The Supplier therefore in no way has any claim to exclusivity.

4.3 Supply Capacity

See Article List (Appendix 2).

The Supplier shall declare that it has the necessary skills and capacities at its disposal so that it is capable of delivering the required quantities called off.

4.4 Delivery Obligation

The Supplier shall be obliged to deliver the parts in accordance with any call-offs to Cosma in accordance with the provisions laid down in this Framework Agreement.

4.5 Place of Manufacture

See Article List (Appendix 2)

4.6 SOP/EOP

Before the SOP and after the EOP, the lot sizes will not correspond to the serial lot sizes. The supplier shall be obliged to actively coordinate with the logistics department.

Start of Production ("**SOP**") presumably see Article List (Appendix 2)

End of Production („**EOP**“) presumably see Article List (Appendix 2)

**5. Delivery and Supply Price**

5.1 Price and Payment Terms and Conditions

See Article List (Appendix 2)

The prices shall be deemed to be net prices including sampling according to VDA Volume 2 and re-qualification costs.

**(Attention: observe resale or scrap clause and integrate it into article list).**

5.2 Price Reduction ("LTA")

The Supplier shall grant the following price reductions on the price shown:

See Article List (Appendix 2).

5.3 Continuous Improvement Process („CIP“)/Continuous Optimization Process (“COP”)

Value Analysis („VA“) Measure -Value Engineering („VE“) Measure

In addition to the above LTAs, the Supplier shall propose measures with a view to COP and VA-VE to Cosma.

With regard to the distribution of net savings, the following distribution key shall apply: Cosma [●] % - Supplier [●] %, whereby savings based on measures initiated by Cosma's customer shall not be taken into account and shall be due solely to the customer

5.4 Competitiveness

Prices must be competitive throughout the entire duration of the supply relationship and shall be deemed to be maximum prices. The parts must be objectively comparable in terms of technical requirements, quality and reliability of supply and price in a competitive environment.

**6. Logistics**

The Cosma Logistics Manual shall apply

(see also applicable documents, Appendix 6).

Insofar as Cosma has not yet received a manual from its customer, the Cosma Logistics Manual shall be extended according to the customer's specifications.

**7. Packing/Packaging**

The price shall be deemed to include packing and packaging. See Article List (Appendix 2)

The Supplier undertakes to maintain and repair the packaging.

If a so-called B-price has been agreed upon between the parties to the present Agreement, the Supplier shall be responsible for the selection and suitability of the packaging and shall submit a corresponding packaging concept, which must ensure integration into Cosma's process and logistics procedures.

Packaging must comply with legal requirements, Cosma packaging specifications and industry standards.

Otherwise, the Cosma packaging guidelines shall apply. See Article List (Appendix 2).

**8. Modification of the Parts/Production Process and Procedure/Materials/Sub-Suppliers/Production Site**

Cosma shall be entitled to request modifications of the parts at any time. These changes must be offered to, negotiated and agreed with Cosma by the Supplier.

Immediately after receipt of a request for modification, the Supplier must assess this request for modification with regard to its effects on the price, weight and quality of the parts, on deadlines and on all other modification-related costs, and inform Cosma of these effects in writing within four working days. If Cosma does not receive a written request for reimbursement of change-related costs within this four-day period, the Supplier's claim for reimbursement of costs shall be excluded. To the extent that Cosma is responsible for the changes, Cosma shall bear the resulting costs, provided Cosma has given its prior written consent to the assumption of costs. The Supplier shall support Cosma in measures to reduce the price per part.

The commercial assessment and evaluation must be made according to the originally agreed calculation scheme. See Cost Breakdown, (Appendix 5).

Other changes to the production process, materials, sub-suppliers and the production site shall only be permitted with Cosma's prior written consent; the supplier shall not be entitled to make changes without Cosma's consent, and shall forfeit any claim to reimbursement of costs in the event that it makes changes without prior consent being obtained.

**9. Development Costs**

The Supplier shall bear the development costs himself.

[Alternatively: The development costs shall amount to EUR [●], including interest. The development costs shall be amortised over the price. After reaching the planned number of [●] parts, the amortisation amount of EUR [●] included in the price shall no longer apply. The supplier must inform Cosma in good time before reaching this planned number of units].]

**10. Termination**

10.1 Ordinary Termination

 Cosma may terminate this Framework Agreement at any time, at its discretion, by giving the Supplier appropriate written notice, subject to a period of notice of 6 (six) months, in which case the Supplier shall not be entitled to any claims arising from the termination of the framework agreement. For the Supplier, the ordinary termination of this Framework Agreement in the period up to EOP shall be excluded.

10.2 Extraordinary Termination

 Cosma shall further be entitled to terminate this framework agreement with a notice period of at least 4 (four) weeks to the end of a calendar month, if and when

**-** the customer terminates or cancels the supply relationship with Cosma or ceases the vehicle project, or

**-** the Supplier does not restore its competitiveness as defined in clause 5.4 within a period of 2 (two) months after receipt of the request, despite Cosma's prior written request.

* in the event of repeated failure to meet the quality or logistics requirements as well as delays in deadlines. A delay in delivery date shall also be deemed to exist if the required delivery documents, references or certificates are not or not completely delivered on the agreed date or within a reasonable period of grace. Any resulting costs of discontinuation shall be borne by the Supplier.
* In the event of insolvency, Cosma shall be permitted, contrary to any confidentiality agreement, to obtain and purchase the required materials directly from the respective sub-suppliers.

10.3 In the event of termination of the framework agreement - irrespective of the legal grounds - the mutual claims resulting from the call-offs already transmitted (irrespective of the legal grounds) shall remain in force and the framework agreement shall continue to apply to these deliveries.

**11. Miscellaneous Provisions**

11.1 In the event of production and/or delivery problems, Cosma shall be entitled to visit the relevant production facilities of the Supplier after having arranged an appointment.

11.2 Positive initial sampling in accordance with VDA Volume 2, grade/mark 1 shall be deemed agreed.

 In the case of a grade 6 sampling according to VDA Volume 2, so that the parts cannot be fitted because of serious deviations, a flat rate of € 750.00 shall be charged.

11.3 Cosma shall submit a complaint for every defective delivery. The complaint processing costs shall amount to EURO 180.00/per complaint, apart from sorting and special transport costs as well as other consequential costs, provided that the supplier can be identified as the party responsible and perpetrator of the damage.

**12. Conclusion and entering into force of the Framework Agreement**

This Framework Agreement shall enter into force as soon as (i) it has been concluded, (ii) an article list, (iii) a call-off or (iv) an order for the parts has been acknowledged by the Supplier, or (v) upon delivery of the parts, whichever is earlier.

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| On behalf of Cosma |  |  |  |
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| Name: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Name: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
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| On behalf of the Supplier: |  |  |  |
| Date: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
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