

**PURCHASING TERMS AND CONDITIONS OF  
LG MAGNA E-POWERTRAIN CO., LTD.**



## ARTICLE 1. SCOPE

### 1.1 Purchase and Sale of Goods

LG Magna e-Powertrain Co., Ltd., a company duly organized and existing under the laws of the Republic of Korea, and having its principal place of business at 322, Gyeongmyeong-daero, Seogu, Incheon, the Republic of Korea and/or its Affiliates ("LG Magna") agrees to purchase, and the supplier who has been nominated for supplying certain goods to LG Magna ("Supplier") agrees to sell, subject to the limitations set forth herein, those goods ("Goods") set forth in the Nomination Letter and/or in one or more contracts. The sale of all Goods by the Supplier and purchase by LG Magna shall be pursuant to the terms of this Purchasing Terms and Conditions of LG Magna and any attachments entered into by and between LG Magna and the Supplier (collectively, "Parties") and attached hereto ("Terms and Conditions"). The Parties shall update the Nomination Letter with additional Goods upon mutual agreement, and such additional Goods shall be subject to the terms of the Terms and Conditions. The commercial terms for such additional products shall be negotiated in good faith between the Parties. In the case of any discrepancy or inconsistency among other different agreements entered into by the Parties, the documents shall take precedence in the following order: specific agreements entered into between the Parties ("Special Terms"), the Nomination Letter, and the standard agreements which are listed in the Nomination Letter and agreed to by Supplier upon signing the Nomination Letter ("Basic Terms"), and the Terms and Conditions.

### 1.2 Exclusion

All purchases for Goods placed by LG Magna under the Terms and Conditions shall be governed by the terms and conditions of the Terms and Conditions and the basic terms which the Supplier agrees to upon signing the Nomination Letter and Contracts and Orders to the entire exclusion of all other terms or conditions. No terms or condition endorsed upon, delivered with or contained in the Supplier's quotation, acknowledgement or acceptance of an Order, specification or similar document shall form part of the Contract and the Supplier waives any right which it otherwise might have to rely on such terms and conditions. These conditions apply to all Goods which LG Magna purchases, and any variation to these conditions shall have no effect unless said variation makes express reference to this Article 2.2 and LG Magna provides its signed written consent to the variation.

### 1.3 Purchase by Affiliates and BU

In the event any Affiliate of LG Magna desires to purchase Goods directly from Supplier and/or

Supplier's Affiliate under the terms and conditions of the Terms and Conditions, such entities shall first execute an agreement in the form of a separate agreement ("Separate Agreement"), which will be provided as an attachment to the Nomination Letter. If any Affiliate of LG Magna and Supplier and/or its Affiliate execute the Separate Agreement, the Terms and Conditions will automatically apply to the Separate Agreement with the same effect as if such terms and conditions were fully set forth in the Separate Agreement.

Affiliates means any entity directly or indirectly controlling, controlled by, or under common control with such Party, partnership, joint venture, consortium or other such entity, where control means legal or beneficial ownership of more than fifty percent (50%) of the voting stock or equity in an entity or other power to direct the business affairs and policies of such entity.

#### 1.4 Customer Terms

- (a) Where the Goods under the Terms and Conditions are or will be sold, or incorporated into goods or services that are or will be sold, by LG Magna to an original equipment manufacturer of vehicles, whether directly or indirectly through an upper tier supplier, or any other third party customer (collectively, the "Customer"), Supplier shall take such steps, provide such disclosure, comply with such requirements and do all other things as LG Magna deems necessary or desirable and within Supplier's control to enable LG Magna to meet LG Magna's obligations under the terms and conditions of any contract or purchase order or other document (the "Customer Terms") that may be applicable to LG Magna from time to time in respect of its direct or indirect supply of such goods or services to the Customer, including: delivery, packaging and labeling requirements; warranties and warranty periods; intellectual property rights and indemnification; confidentiality; access to facilities and records; and replacement and service parts. LG Magna may, from time to time, in its sole discretion, provide Supplier with information regarding the applicable Customer Terms, but, in any event, Supplier shall be responsible for ascertaining the Customer Terms that may affect Supplier's obligations hereunder and hereby agrees to be bound to such Customer Terms.
- (b) If there is any conflict between the provisions of the Customer Terms and any provisions of the Terms and Conditions, LG Magna shall have the right to have the provisions of the Customer Terms prevail to the extent necessary or desirable to resolve such conflict.
- (c) In the event that the Customer directly suffers any financial instability (as explained in subparagraph 13.4) and, in the course of any proceedings relating to such event and in

connection with actual or threatened termination by the Customer of its contract(s) with LG Magna (by rejection or otherwise), LG Magna permits a reduction in the prices paid to LG Magna for the Goods, then the prices paid to the Supplier from and after the date of such reduction will be automatically adjusted proportionally by the same percentage as the price paid to LG Magna by the Customer, and the Terms and Conditions will otherwise remain in effect without modification.

- (d) In the event Customer fails to pay LG Magna for products incorporating Goods supplied under the Terms and Conditions by Supplier, LG Magna reserves the right to assign the Supplier the right to collect such amounts from the Customer, in whole or in part, and Supplier agrees to accept such assignment as payment for any invoices due from LG Magna to Supplier on a dollar for dollar basis.
- (e) In addition to any other rights or remedies provided for in the Terms and Conditions, if the Customer directed, recommended or requested that Supplier be the source from whom LG Magna is to obtain the Goods: (i) LG Magna will pay Supplier for the Goods only after and to the extent of, and in proportion to, LG Magna's actual receipt of payment from the Customer for those goods into which the Goods are incorporated; (ii) any lengthening of the Customer's payment terms to LG Magna for those goods into which the Goods are incorporated will automatically lengthen the payment terms as between LG Magna and Supplier by the same amount of time; and (iii) within three (3) business days of any change in price, specifications or other terms negotiated or proposed between Supplier and the Customer, Supplier shall notify LG Magna in writing and immediately adjust its invoices to reflect any price reduction, provided that no change will be binding on LG Magna without LG Magna's specific written consent.

## **ARTICLE 2. PRODUCTS**

### **2.1 Samples**

The Supplier shall provide to LG Magna, at the Supplier's sole expense and at no charge to LG Magna, reasonable quantities of Goods as samples. LG Magna shall not be liable for any loss or damage to such samples as a result of fire, theft, other casualty, misplacement, disappearance or other loss. If the Supplier wishes the sample to be returned, it shall be responsible for return shipping.

### **2.2 Product Changes**

The Supplier shall not make any product changes, process changes, design changes, to the Goods or other alterations affecting the performance, the mechanical form, fit or appearance,

the compatibility or characteristics, function, lifespan or reliability of Goods or change the manufacturing location unless it has provided at least one (1) year advance written notice and the changes has been agreed in writing between the Parties.

### 2.3. Discontinuation

In no event shall the Supplier discontinue the manufacturing and supply of the Goods to LG Magna and/or its Affiliates without reasonable cause, and LG Magna shall in its sole discretion determine if such cause is reasonable. In the event of any discontinuation of the Goods, the Supplier shall use its best efforts to either (i) provide another product with comparable specifications and requirements to replace the discontinued Goods; or (ii) assist LG Magna to find a suitable alternate supplier; provided always that (iii) the Supplier shall continue to supply the Goods for LG Magna until the completion of the internal product qualification process of the alternate products or suppliers. For the avoidance of doubt, the Supplier's supply commitment obligations set forth in Article 2.4 and 2.6 below shall continue irrespective of any discontinuation or changes to the Goods as set forth in this Article.

### 2.4 Supplier Commitment

For each of the Goods purchased by LG Magna hereunder, the Supplier shall maintain sufficient production, supply, and distribution capabilities that will satisfy LG Magna's requirements for the Goods. The Supplier further warrants that any representation made in a quote or otherwise regarding its production capacity shall be considered a warranty that Supplier can manufacture or produce the stated quantity of the Goods without the imposition of overtime charges or other surcharges. Supplier warrants that the prices in this Order shall be complete, and no surcharges, premiums or other additional charges of any type shall be added, without LG Magna's prior written consent.

### 2.5 Production Forecast

Supplier also acknowledges that any estimates or forecasts of production volumes or length of program, whether from LG Magna or the Customer, are subject to change from time to time, with or without notice to Supplier, and shall not be binding upon LG Magna. Unless otherwise expressly stated in this Order, LG Magna makes no representation, warranty, guarantee or commitment of any kind or nature, whether express or implied to Supplier in respect of LG Magna's quantitative requirements for the Goods or the term of supply of the Goods.

## 2.6 Spare Parts

Supplier shall supply LG Magna with sufficient quantities of the Goods for use as replacement products or parts for LG Magna's products for a period of fifteen (15) years from the last production date of such products (the "EOL Supply" or "End of Life Supply"). In the event the Supplier fails to fulfill its EOL Supply obligations to LG Magna, the Supplier shall indemnify LG Magna for all direct and indirect losses, costs, expenses, or other damages incurred by LG Magna that are attributable to the Supplier's breach.

## 2.7 Property of LG Magna

Any and all of LG Magna's pre-existing property, LG Magna's Confidential Information (as defined below) and any materials, equipment, tools, dies, molds, raw material or parts, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by LG Magna to the Supplier specifically for the manufacture of Goods shall at all times be and remain the exclusive property of LG Magna. Such materials shall be held by the Supplier in safe custody at the Supplier's own risk and maintained and kept in good condition by the Supplier until returned to LG Magna, and shall not be used or disposed of other than in accordance with LG Magna's written instructions. Supplier shall clearly mark these property with labels to identify the pertinent ownership of LG Magna and shall separately record that such materials are the property of LG Magna. The Supplier may not lease, use as collateral, sell, or establish any security rights over such materials and thereby infringe LG Magna's title and ownership to such materials. In the event Supplier is subject to attachment or seizure by creditor or any third party, Supplier shall notify LG Magna immediately and make all efforts to preserve LG Magna's rights from attachment or seizure. In the event Supplier defaults or becomes insolvent and this affects LG Magna's rights to such parts that have not been fully paid by Supplier yet, Supplier shall notify LG Magna immediately and make all efforts to preserve LG Magna's rights.

## 2.8 LG Magna funded Tooling & Equipment

Even in the case in which LG Magna does not own the equipment, the Supplier shall not, without LG Magna's prior written consent, change, use the equipment for any other use than to supply the Goods to LG Magna or otherwise dispose of (i) any equipment that might affect the quality, performance and manufacturing capacity of the Goods; or (ii) any equipment provided by LG Magna. The Supplier may not lease or use as collateral such equipment even if any equipment is owned by the Supplier, if it was provided with LG Magna's financial or technical support.

In the event Supplier is subject to attachment or seizure by creditor or any third party, Supplier shall notify LG Magna immediately and LG Magna may request that Supplier transfers all rights to the equipment to LG Magna upon payment of the remaining value (amortized or paid with lump sum payment at LG Magna's option).

### 2.9 Specific Performance

The Supplier acknowledges that, if the Supplier commits a material breach, or attempts or otherwise threatens to commit a material breach, of its obligations to supply the Goods to LG Magna pursuant to the Terms and Conditions, LG Magna will be irreparably harmed and there will be no adequate remedy at law. The Goods are unique, and the Supplier agrees and consents that LG Magna may, in the event of the foregoing circumstances, apply or proceed directly to any court of competent jurisdiction to enforce LG Magna's rights hereunder to ensure supply continuity. LG Magna shall be at liberty to seek specific performance, declaratory or injunctive relief without any showing of irreparable injury or satisfaction of any other condition necessary for such relief. This right shall be without prejudice to any other remedies available to LG Magna pursuant to the Terms and Conditions.

## **ARTICLE 3. ORDER AND ACCEPTANCE**

### 3.1 Order

During the Term of the Terms and Conditions, LG Magna may place orders for Goods by the issuance of (a) an order for non-HUB transaction; and/or (b) for HUB transactions, a rolling forecast as to LG Magna's projected quantity requirements for the Goods, with the forecast period to be defined in a separate HUB transaction or consignment agreement (collectively, the "Order"). For the avoidance of doubt, each shipment of the Goods to LG Magna must be authorized in the Order issued by LG Magna, and such Order will be the Supplier's sole authority to provide or otherwise supply the Goods and only to the extent authorized therein.

### 3.2 Acceptance

An Order shall be considered accepted by the Supplier if: (i) Supplier issues a written acceptance; (ii) Supplier fails to reject an Order within five (5) working days from the receipt of such Order; (iii) shipment of Goods; or (iv) conduct that indicates Supplier's acceptance including preparation for Supplier's performance. Acceptance of the Order (or a Forecast in the case of HUB transaction) shall form a binding agreement ("Contract") between LG Magna and the Supplier.

### 3.3 Cancellation of the Contract

LG Magna may, at its option, cancel or modify any Contracts by providing advance written notice to the Supplier. In such setting, LG Magna shall not be liable for (i) payments for the Goods; and (ii) any costs or expenses associated with such cancellation or modification of the Contracts. Further, the Supplier shall reimburse any amounts already paid by LG Magna for the applicable Contracts, if applicable.

## ARTICLE 4. DELIVERY

### 4.1 Contractual Terms of Delivery

- (a) All Goods shipped by the Supplier pursuant to the Terms and Conditions shall be packaged, marked, and otherwise prepared for shipment in a manner which is (i) in accordance with good commercial practice; (ii) acceptable to standards of common carriers for shipment and in accordance with the applicable Incoterms; and (iii) adequate to ensure safe arrival of the Goods at LG Magna's designated location; and (iv) in accordance with any other written instruction issued by LG Magna and agreed to by the Supplier. Unless otherwise agreed in the Contract, shipping terms for the Goods shall be defined in the relevant Nomination Letter. In the event the Supplier desires LG Magna to return any packaging materials to the Supplier, such request must be clearly stated on each applicable set of the Delivery Documents delivered to LG Magna, and such packaging materials shall only be returned at the expense of the Supplier.
- (b) HUB : In the event that the HUB transaction is required by LG Magna, the Supplier shall supply the Goods to a hub warehouse (the "HUB") via the Supplier's own inventory control on the basis of information provided by LG Magna's forecast and the current warehouse inventory of the Goods.

### 4.2 Date of Delivery

Delivery terms or requirements shall be specified in the applicable Order, and the Supplier shall deliver the Goods in accordance with the delivery date set forth or otherwise agreed to in the Contract. Time shall be of the essence for delivery.

### 4.3 Delivery Documents

The Supplier shall provide: (i) delivery note that includes information or documents such as the Order number, date of Order, number of packages and contents; (ii) bill of lading; and (iii) packing list (the "Delivery Documents"). Further, the Supplier shall issue an invoice to LG

Magna upon, but separately from, delivery of the Goods in addition to the Delivery Documents in accordance with Article 5.3 entitled "Payment," below.

#### 4.4 Excess in Quantity

If Goods are delivered to LG Magna in excess of the quantities ordered, LG Magna shall not be bound to take delivery of the excess. Any excess shall be, and shall remain at, the Supplier's risk and shall be returnable to the Supplier at the Supplier's expense.

#### 4.5 Title and Risk

Notwithstanding any prior inspections and the requisite Incoterms as set forth in the Nomination Letter or other contracts entered into between LG Magna and Supplier, the Supplier shall bear all risk of loss, damage, and destruction to the Goods, and title to and risk of loss of the Goods shall only pass to LG Magna: (i) upon receipt of the Goods by LG Magna and/or LG Magna's designated forwarder in the case of non-HUB transaction; or (ii) when the Goods have been pulled from the HUB in the case of HUB transaction.

#### 4.6 Country of Origin

Supplier shall provide LG Magna with a valid and verifiable certificate of origin and/or declaration of origin of materials used in the production of the Goods and any other documentation that is reasonably required by LG Magna to confirm the origin of Goods.

If any change occurs in the origin of Goods provided under the Terms and Conditions, Supplier shall inform LG Magna immediately and submit appropriate new documents that prove the origin of the Goods, including certificate of origin and/or declaration of origin.

Supplier shall be liable for, and shall indemnify, defend and hold harmless LG Magna and its subsidiaries from and against, all losses, costs, claims, causes of action, damages, liabilities, and expense, including attorney's fees, all expense of litigation and/or settlement, court costs, customs duties to be additionally collected by custom authority and administrative fines, arising from any act or omission of Supplier, its officers, employees, agents, supplier, or subcontractors at any tier, in performance of any of its obligations under this Article 4.6.

#### 4.7 Late delivery

The Supplier shall deliver Goods to LG Magna on the agreed delivery date as set forth in the Contract. In the event of late delivery, without prejudice to any other rights which it may have, LG Magna reserves the right to:

- (a) terminate the Contract and/or the Terms and Conditions in whole or in part, if delivery of

- any Goods ordered is delayed;
- (b) refuse to accept any subsequent delivery of Goods which the Supplier attempts to make;
  - (c) withhold any payment of the delayed Contract;
  - (d) recover from the Supplier any expenditure reasonably incurred by LG Magna in obtaining Goods in substitution from other suppliers; and
  - (e) claim damages for any additional costs, loss or expense incurred by LG Magna which are in any way attributable to the Supplier's failure to deliver Goods on the due date.

#### 4.8 Expedited Shipment

LG Magna may direct expedited shipment and/or incur premium freight or transportation costs, and Supplier shall pay upon demand all excess costs incurred thereby, including additional handling charges and other expenses (whether related or not) resulting from late deliveries. If LG Magna is responsible for arranging transportation it may arrange for the most expeditious method of transportation for timely delivery and Supplier shall be responsible for such costs.

#### 4.9 Non-waiver

No inspection or acceptance, approval or acquiescence by LG Magna with respect to the Goods shall relieve the Supplier from any portion of its warranty obligation nor will waiver by LG Magna of any specification requirements for one or more items constitute a waiver of such requirements for remaining items unless expressly and unequivocally agreed to by LG Magna in writing.

### **ARTICLE 5. PRICE AND PAYMENT**

#### 5.1 Price

Supplier expressly assumes the risk of any event or cause (whether or not foreseen) affecting such prices, including any foreign exchange rate changes, increases in raw materials costs, inflation, increases in labor and other manufacturing costs, and said changes shall not result in any price increases of the Goods. In addition, LG Magna may on notice to Supplier change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Supplier to a modification of the price of the Goods covered by the Terms and Conditions.

#### 5.2 Taxes

Unless otherwise agreed in the Contract, the price shall be exclusive of value added taxes but

inclusive of all other charges, duties, and tariffs, the amounts of which shall be borne by the Supplier in accordance with the applicable Incoterms specified in Article 4.1 entitled "Contractual Terms of Delivery," above. Further, the Supplier shall, irrespective of jurisdiction, bear and pay all taxes levied or measured by the Supplier's net income and all franchise taxes based upon its corporate existence or its general corporate right to transact business. For the avoidance of doubt, LG Magna may withhold from any amounts payable to the Supplier hereunder, irrespective of jurisdiction, such federal, state or local taxes or other amounts as LG Magna shall be required to withhold pursuant to applicable law.

### 5.3 Payment

Upon expiration of a ninety (90) day period from the date of LG Magna's receipt of valid invoice from the Supplier, LG Magna shall pay to the Supplier for the applicable Goods in accordance with the detailed terms of payment specified in the Nomination Letter. For the avoidance of doubt, the payment date of any given invoice issued by the Supplier shall not precede the applicable delivery date of the Goods. Accordingly, the Supplier shall issue invoice incorporating the foregoing payment terms.

### 5.4 Most-Favorable Price

The price of Goods available to LG Magna and/or its Affiliates shall be no less favorable than the lowest price offered to other customers of the Supplier buying product identical or similar to Goods under similar conditions. If at any time during the Term of the Terms and Conditions, the Supplier accords more favorable prices to any other customer, the Supplier will immediately, within ten (10) days of such occurrence, offer to sell Goods to LG Magna at such price. If Supplier fails to make such adjustment within the ten (10) days, it shall: (i) result in the Supplier immediately, or in any case no later than ten (10) days from such failure, providing LG Magna a refund of the price difference for all purchases made at the higher price, and (ii) if Supplier fails to provide the refund within the time period above, LG Magna shall have the right to terminate any relevant Contract(s) upon written notice to the Supplier with immediate effect.

## **ARTICLE 6. WARRANTY**

### 6.1 Inspection. (No Inspection Necessary)

After the receipt of Goods, LG Magna may inspect, or cause its qualified agent to inspect, the Goods but it is not required to. LG Magna shall notify the Supplier if, during the inspection, any of the Goods are found not to be in compliance with quality standards. The quality standards

will have been agreed to in writing by the Parties. If the Parties have not agreed on the quality standards, the Goods are expected to meet the standards required under the applicable law governing the Terms and Conditions. Inspection and approval at Supplier's premises or non-approval does not preclude rejection or other relief for any defects subsequently discovered.

## 6.2 Warranty

The Supplier represents and warrants to LG Magna, its subsidiaries and affiliates, their respective successors and assigns, the Customer and users of products containing the Goods

(a) that Goods shall:

(i) be free from defects, including any latent defects, in design, material and workmanship applicable thereto for ten (10) years, except that if LG Magna is obligated to provide a longer warranty period to the Customer pursuant to the Customer Terms, such longer period shall apply starting from the date of sale of the products incorporating the Goods (the "Warranty Period");

(ii) conform to LG Magna's specifications, samples (as to type and quality), drawings and other descriptions and information furnished in connection with Goods, whether written or oral;

(iii) be new, unused and not contain used or repaired parts or if any remanufactured, reconditioned parts are used under the approval of LG Magna they will not impair its fitness, usefulness or safety;

(iv) be free and clear of all liens, claims, encumbrances and other restrictions;

(v) not contain any hazardous substances or materials as set forth in Supplier Code of Conduct;

(vi) conform to the quality requirements set forth in the VR004 (Quality & Environmental Management Requirements);

(vii) be merchantable as goods of that kind;

(viii) be suited for LG Magna's intended use and for the particular purpose for which LG Magna intends to use the Goods in the environment in which they are or may reasonably be expected to perform;

(ix) not violate or infringe any property rights, including intellectual property rights, of any person or entity;

(xii) not violate any applicable law, rule, regulation or judicial order; and

(xiii) not violate any contractual obligations or confidential relationships which the Supplier may have to or with any third party;

(b) Should Goods fail to meet the warranties given in Article 6.2(a), the Supplier shall, upon LG Magna's request, repair, replace, or refund the defective Goods in question without

any cost to LG Magna and/or its Affiliates. If Supplier fails to repair, replace or refund the defective Goods within the time period requested by LG Magna, LG Magna has the right to repair or replace such Goods, and Supplier shall reimburse and compensate any and all losses, costs and expenses incurred by LG Magna due to Supplier's breach of warranties hereof. LG Magna also reserves the right to suspend payment for Goods concerned until such non-compliance has been completely rectified or eliminated to the satisfaction of LG Magna. In the event that the Supplier's breach of warranties hereunder is not cured within forty-five (45) days from LG Magna's notice in accordance with the foregoing remedies, the Supplier shall be liable to and indemnify LG Magna for all damages incurred by LG Magna, including, without limitation, LG Magna's lost sales.

### 6.3 Recall

In the event the Customer, or any governmental agencies or courts issue a recall of the products that contain the Goods, that is due to or allegedly caused by or may involve Supplier's defective Goods, Supplier and LG Magna shall immediately cooperate to find the root cause and appropriate countermeasures, and the Supplier shall (i) perform all corrective actions such as repairs or modifications to the affected Goods at the Supplier's cost and expense; and/or (ii) assist LG Magna or Customer to recall the Goods or those final products incorporating the Goods pursuant to orders or recommendations mandated by the relevant authority or Customer ("Recall"); and/or (iii) at the Supplier's sole cost and expense upon the request of LG Magna, cooperate to notify all of the appropriate subgroups of the affected and potentially affected end-users of the defect or potential defect, and the availability of repair or replacement remedies if said end-users experience the problems associated with the defect. In the event of such Recall, LG Magna shall use commercially reasonable efforts to assist the Supplier to undertake all corrective actions, including, without limitation, the requisite filings to applicable government agencies. For the avoidance of doubt, the Supplier shall be liable to and indemnify LG Magna for any and all losses, costs and out-of-pocket expenses incurred by LG Magna that are attributable to the Recall. Further, the Supplier's obligations set forth in this Article shall survive any expiration or termination of the Terms and Conditions.

### 6.4 Addition to Statutory Conditions

LG Magna's rights under this ARTICLE 6. WARRANTY are in addition to the statutory conditions implied in favor of LG Magna by any governing laws.

## **ARTICLE 7. INDEMNIFICATION**

### 7.1 Indemnification

The Supplier shall defend, hold harmless and indemnify LG Magna, its subsidiaries and Affiliates, and each of their respective directors, officers, employees, agents, customers, distributors and users of the products containing the Goods or services using the Goods (collectively "Indemnitees") against any and all claims, actions, demands, legal proceedings (including but not limited to court actions and governmental investigation, such as an International Trade Commission investigation), liabilities, damages, expenses, losses, judgments, or authorized settlements to a third party that arise or are alleged to have arisen in any way in relation to, as a result of, or in connection with:

- (a) infringement or alleged infringement by the Supplier and/or Goods, alone or in combination with other hardware or software, of a copyright, patent, trademark, trade secret or other intellectual property right of any third party;
- (b) bodily injury (including death) or damage to real or tangible personal property by Goods or services provided by Supplier;
- (c) breach of warranty and/or any Customer's field service actions or recall as a result of or related to a defect in the Goods, such as testing, inspecting, sorting, repairing or replacing the defective Goods; or
- (d) i) the Goods provided by Supplier, ii) negligent or intentional acts or omissions; or iii) breach by the Supplier of any terms of the Terms and Conditions.

For the avoidance of doubt, the Supplier's indemnification obligation shall include Indemnitee's attorneys' fees and other professional fees (such as experts' fees).

Supplier expressly waives any claim against the Indemnitees that any such infringement or alleged infringement arises in compliance with the LG Magna's specifications and/or instructions.

### 7.2 Indemnification procedures

- (a) If an Indemnitee seeks indemnification for any matter which is the subject of Article 7.1 (a "Claim"), it shall upon becoming aware of any Claim, promptly give notice of the Claim to the Supplier, accompanied by a copy of any written documentation regarding the Claim received by the Indemnitee.
- (b) The Supplier may, at its option, settle or defend any Claim, at its own expense and by engaging its own legal counsel. The Supplier will not enter into any settlement that imposes any liability or obligation on any of the Indemnitees without their prior written consent. Supplier and the Indemnitee will cooperate in the settlement or defense and give each other reasonable access to relevant information. The Supplier will, upon Indemnitee's

demand, reimburse the Indemnitee for all damages and expenses (including attorneys' and other professionals' fees) suffered by the Indemnitee in defending or settling the Claim.

### 7.3 Duty to Correct

If a third party claims that the Goods infringe an intellectual property right, or if the use of any Goods are enjoined, or if the Supplier believes that any Product is infringing, the Supplier shall, in addition to its defense and indemnification obligations above, promptly notify LG Magna in writing and, at its own expense, exercise the first of the following remedies that is practicable: (i) modify the Goods so they are non-infringing and in compliance with the Terms and Conditions and all applicable requirements and specifications; (ii) replace the Goods with non-infringing versions that comply with the requirements of the Terms and Conditions and all applicable requirements and specifications; or (iii) at LG Magna's request, accept the cancellation of the applicable Contracts for the infringing Goods and refund any amounts paid by LG Magna.

## **ARTICLE 8. ANTI-BRIBERY LAW COMPLIANCE**

### 8.1 Anti-Bribery Law Compliance

In performing its obligations under the Terms and Conditions, the Supplier agrees that it will, and it will cause its affiliates, directors, officers, employees, agents and contractors (each a "Supplier Affiliate"), to comply strictly with anti-corruption laws of Korea, the United States Foreign Corrupt Practices Act ("FCPA"), the United Kingdom Bribery Act and any similar applicable anti-bribery or anti-corruption law (collectively, "Anti-Bribery Laws").

## **ARTICLE 9. SANCTIONS AND U.S. EXPORT CONTROLS**

### 9.1 Representations and Warrantees

Supplier represents and warrants that, at all time during which the Terms and Conditions remains in effect, neither it nor any entity or individual that directly or indirectly owns or controls it and all subsidiaries of such entities (collectively, "Affiliates"):

- (a) violates any (i) trade or economic sanction imposed by the United Nations, the European Union, the United States or any other countries, including but not limited to sanctions administered by the United States Treasury Department's Office of Foreign Assets Controls ("OFAC") (together, ("Sanctions"), or (ii) the United States Export Administration Regulations, 15 C.F.R. chapter VII, subchapter C (§§730-774), administered by the United States Commerce Department's Bureau of Industry and Security ("BIS") ("U.S. Export

Control Regulations");

- (b) engages in, or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempting to violate, any of the Sanctions or U.S. Export Control Regulations; and
- (c) is owned or controlled by, an individual or entity that is: (i) listed on the U.S. list of Specially Designated Nationals maintained by OFAC or otherwise the subject of Sanctions, (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions, including but not limited to Crimea, Cuba, Iran, North Korea, or Syria, or (iii) on the Entity List maintained by BIS or otherwise subject to any restriction under U.S. Export Control Regulations.

## 9.2 Covenants

Supplier or its Affiliates will immediately notify LG Magna in the event that it, or any of its Affiliates, are or become owned or controlled by an individual or entity that is or becomes: (i) listed on the U.S. list of Specially Designated Nationals or otherwise the subject of Sanctions, (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions, or (iii) on the Entity List maintained by BIS or otherwise subject to any restriction under U.S. Export Control Regulations.

## ARTICLE 10. INTELLECTUAL PROPERTY

### 10.1 Supplier License

Supplier hereby grants to LG Magna, its subsidiaries and affiliates, and their respective successors and assigns, and LG Magna hereby accepts, a non-exclusive, fully paid-up irrevocable, worldwide license, including the right to sublicense to others in connection with providing the Goods to LG Magna or the Customer, under: (i) patents, industrial designs, technical information, know-how, processes of manufacture and other intellectual property, owned or controlled by Supplier or its affiliates, and relating to the Goods, to make, have made, repair, reconstruct, rebuild, relocate, use, sell and import the Goods.

### 10.2 Supplier Inventions

To the extent that Supplier creates or develops any patents, industrial designs, technical information, know-how, processes of manufacture or other intellectual property in the performance of Supplier's obligations under this Order, Supplier shall: (i) assign to LG Magna each invention, discovery or improvement (whether or not patentable) that is conceived or first reduced to practice by Supplier, or by any person employed by or working under the direction

of Supplier, in the performance of Supplier's obligations under this Order; and (ii) promptly disclose in an acceptable form to LG Magna all such inventions, discoveries or improvements and cause Supplier's employees to sign any papers necessary to enable LG Magna to obtain title to and to file applications for patents throughout the world.

### 10.3 LG Magna rights

Supplier shall not manufacture or provide, or offer to manufacture or provide, any goods or services that are based in whole or in part upon LG Magna's intellectual property and/or the drawings or specifications in respect of the Goods or the Services, or any derivative thereof, whether for its own purposes (other than to satisfy its obligations under this Order), for the Customer or any other third parties, without LG Magna's prior written consent. The foregoing restriction shall not apply in respect of "off-the-shelf" or "catalogue" goods or services that have been routinely manufactured or provided by Supplier and developed by Supplier, in each case prior to this Order and independently of its relationship with LG Magna

### 10.4 Copyright

Supplier hereby grants LG Magna a non-exclusive, sub-licensable, transferable, perpetual, irrevocable, worldwide, royalty free license to use or have used, copy or have copied and reproduce or have reproduced Supplier's trademarks included on Goods and/or accompanying packaging and other materials with respect to the Goods only for the purpose of distribution, advertisement and promotion of Goods. Supplier shall not use any of LG Magna's trademarks, trade names, service marks, logos and/or such other marks without LG Magna's prior written consent for the use and manner of such use.

## **ARTICLE 11. OTHER TERMS**

### 11.1 Insurance

Throughout the Term of the Terms and Conditions, and for three (3) years thereafter, the Supplier shall maintain the following coverage with insurance companies and produce the insurance certificates giving details of such coverage: (i) adequate levels of commercial general liability insurance in an amount of up to 3,000,000,000 KRW; and (ii) adequate levels of insurance covering all activities and obligations undertaken by the Supplier, including, without limitation, product liability claim, indemnification and its supply obligations relating to the Goods and all activities and obligations undertaken by its subcontractors providing services pursuant to the Terms and Conditions. The Supplier agrees to add LG Magna as an additional insured to such insurance at LG Magna's request.

### 11.2 Access to Supplier's premises and Audit

The Supplier will give LG Magna access to both its sites and buildings with at least five (5) business day prior notice. LG Magna shall have the right to audit and access all the relevant records, materials and information relating to Goods in order to verify that the Supplier is in adherence with the Terms and Conditions.

### 11.3 Supplier's Subcontractor

In the event it is necessary for Supplier to subcontract any parts or components of Goods, Supplier shall be responsible for controlling the quality of its subcontractor ("Subcontractor") to assure conformance to specification and quality required by LG Magna. The Supplier and Subcontractor shall provide for proper material identification, sufficient to control and prevent the use of shipment of materials which do not conform to LG Magna's quality standards. Non-conforming material must be identified and removed promptly from normal production and procurement channels. It is desired to control quality by requiring certification of each lot or shipment from Subcontractor. The Supplier shall maintain records of its inspection and test results and the records are to be available for review by LG Magna and/or its Affiliates personnel.

In the event any parts or components of Goods are manufactured or produced by the Subcontractor and are found to be defective or to have failed to meet quality standards required by LG Magna, Supplier shall suspend using such defective parts or components to manufacture Product or supply such defective parts to LG Magna. Supplier shall be obliged to comply with LG Magna's quality standards and requests to the maximum extent permitted by law.

Further, Supplier shall ensure that LG Magna has the right to visit the Subcontractor's site for the purpose of conducting an on-site audit in accordance with Article 11.2 above to check if the Subcontractor meets the quality standards required by LG Magna. Notwithstanding anything under the Terms and Conditions, Supplier shall be fully liable and responsible to LG Magna and/or its Affiliates for any and all acts/omissions of the Subcontractor herein.

## **ARTICLE 12. CONFIDENTIAL INFORMATION**

### 12.1 Purpose

Parties under the Terms and Conditions intend to exchange certain information they consider

to be Confidential Information regarding the Terms and Conditions (“Purpose”). The intent of the Parties is to protect the Confidential Information which either Party elects to disclose, but not to obligate either Party to disclose any Confidential Information.

#### 12.2 Confidential Information

“Confidential Information” means any information, including, without limitation, any information, technical data or know-how relating to discoveries, ideas, inventions, concepts, software, equipment, designs, drawings, specifications, technique processes, systems, models, data, source code, object code, documentation, diagrams, flow charts, research, development, business plans or opportunities, products, projects or products under consideration, procedures, and information related to finances, costs, prices, suppliers, vendors, customers and employees which is disclosed by the disclosing Party in connection with the Purpose whether before, on or after the Effective Date hereof, directly or indirectly, in writing, orally or by drawings or inspection of equipment or software, to the receiving Party or any of its employees or agents. If Confidential Information is disclosed in writing, in a drawing or in any other tangible form, such Confidential Information must be clearly marked as “Confidential” or with a similar legend at the time of disclosure. Confidential Information disclosed orally or in any other intangible form shall be identified orally as being confidential at the time of disclosure and confirmed in writing by the disclosing Party within thirty (30) days after such disclosure by submitting a letter summarizing such Confidential Information and manifesting its confidentiality to the receiving Party.

#### 12.3 Exclusions

Confidential Information does not include any of the following: (a) information that is or becomes part of the public domain without violation of the Terms and Conditions by the receiving Party; (b) information that was known to or in the possession of the receiving Party on a non-confidential basis prior to the disclosure thereof to the receiving Party by the disclosing Party, as evidenced by written records; (c) information that was developed independently by the receiving Party, without use of or reference to the Confidential Information, as established by written evidence; or (d) information that is disclosed to the receiving Party by a third party under no obligation of confidentiality to the disclosing Party and without violation of the Terms and Conditions by the receiving Party. The burden of proving that information may be disclosed because it does not fall within the definition of Confidential Information shall be on the receiving Party.

#### 12.4 Obligations

The receiving Party agrees that, unless the disclosing Party gives its prior written authorization, it shall: (a) not use the Confidential Information for any other purpose other than for the Purpose; (b) not disclose any Confidential Information to any third party except those directors, officers and employees of the receiving Party and LG Magna's holding companies LG Electronics Co., a company established under the Laws of the Republic of Korea having its registered address at 128 Yeoidaero, Yeongdeungpogu, Seoul, Korea, and Magna Metalforming GmbH, a company established under the Laws of Austria and having its registered address at 8, Technologiestrasse, Wien, 1120, Austria in the case they are required to have such Confidential Information in order to carry out the Purpose and who have signed a non-use and non-disclosure agreement or have agreed upon corporate confidentiality rules in content similar to the provisions hereof; and (c) not print, copy, adopt, modify, store, decompile, disassemble or reverse engineer/translate any items or discover the source code or trade secrets thereof that constitute Confidential Information other than as required for the Purpose.

The receiving Party shall prevent the unauthorized use, disclosure, dissemination or publication of the Confidential Information with the same degree of care that the receiving Party uses to protect its own confidential information of a similar nature, but no less than a reasonable degree of care. The receiving Party agrees to notify the disclosing Party in writing of any misuse or misappropriation of the disclosing Party's Confidential Information which may come to the receiving Party's attention.

The obligation of the receiving Party to protect the Confidential Information under the Terms and Conditions shall survive for a period of three (3) years from the expiration or termination of these Terms and Conditions.

#### 12.5 Government Disclosure

If the receiving Party becomes legally obligated to disclose Confidential Information by any governmental entity with jurisdiction over it, prior to such disclosure, the receiving Party shall give the disclosing Party prompt written notice of such obligations sufficient to allow the disclosing Party the opportunity to pursue its legal and equitable remedies regarding such potential disclosure. The receiving Party agrees to: (a) assert the confidential nature of the Confidential Information to the governmental entities; (b) disclose only such information as is required to be disclosed by law; (c) use its commercially reasonable efforts to obtain confidential treatment for any Confidential Information that is so disclosed; and (d) provide reasonable assistance to the disclosing Party in protecting such disclosure.

### 12.6 Termination

The receiving Party shall: (a) promptly return all originals, copies, reproductions and summaries of the Confidential Information furnished by the disclosing Party upon the written request of the disclosing Party or after termination or expiration of these Terms and Conditions; and/or (b) at the disclosing Party's option, destroy or delete the same. In the event of such destruction or deletion, the receiving Party shall certify in writing to the disclosing Party, within ten (10) days, that such destruction or deletion has been accomplished.

## ARTICLE 13. TERM AND TERMINATION

### 13.1 Term

The Terms and Conditions shall be effective for the period of time of the production life cycle of the models that supplier is obligated to supply for ("Term"). In the case supplier doesn't supply for a specific project, the term is one year from the Order and is renewed every year until supplier gives notice 180 days before the term ends.

### 13.2 Termination for Convenience

LG Magna may terminate the Terms and Conditions for convenience by providing at least six (6) months prior written notice to the Supplier. Supplier may not terminate this Order for convenience or any other reason, except as otherwise expressly provided in this Order.

LG Magna shall, in addition to making payment of the price specified in this Order for the Goods and the Services delivered or performed and accepted by LG Magna prior to the effective date of termination, pay to Supplier the following amounts, without duplication: (i) the price specified in this Order for the Goods and the Services manufactured or provided in accordance with the terms of this Order but not previously paid for; and (ii) the actual costs of work-in-process and parts and raw materials incurred by Supplier in performing its obligations under this Order, to the extent such costs are reasonable in amount and are properly allocated or apportioned under generally accepted accounting principles to the terminated portion of this Order. LG Magna shall not be obligated to make any payment for: (x) the Goods, the Services, or work-in-process or parts or raw materials inventory that are manufactured, provided or procured by Supplier in amounts in excess of those authorized in any Release, that are damaged or destroyed or that are not merchantable or useable; (y) any undelivered Goods that are in Supplier's standard stock or that are readily marketable; or (z) work-in-process or parts

or raw materials inventory that can be returned to Supplier's suppliers or subcontractors for credit. Payments made in connection with a termination of this Order under this Article 13.2 shall not exceed the aggregate price for the Goods or Services that would be manufactured or provided by Supplier under any Release outstanding at the effective date of termination. Except as provided in this Article 13.2, LG Magna shall not be liable for and shall not be required to make payments to Supplier, directly or indirectly (whether on account of claims by Supplier's subcontractors or otherwise), for any loss arising from or attributable to failure to realize anticipated revenue, savings or profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation cost or general and administrative burden charges from a termination of this Order. In the event of a termination of this Order by LG Magna as a result of LG Magna ceasing to be a supplier to the Customer for the vehicle program in respect of which LG Magna issued this Order, LG Magna shall only be obligated to compensate Supplier for any costs under this paragraph if, when and to the extent that the Customer reimburses LG Magna for such costs.

### 13.3 Termination for Breach; change of control

(a) If Supplier commits a breach of or repudiates its obligations under the Terms and Conditions or the Supplier Code of Conduct, VR004, and related policies. Supplier shall be liable for all costs, damages and expenses caused by or resulting from such default. and such breach or repudiation is not remedied within fifteen (15) days of LG Magna's written notice thereof, LG Magna may terminate the Terms and Conditions with immediate effect by giving notice of termination in writing to Supplier, without prior recourse to any judicial or other authority. Supplier shall be liable for all costs, damages and expenses caused by or resulting from its default under this Order, including the costs and expenses incurred in finding a new supplier. Additionally, in connection with LG Magna's termination or non-renewal of this Order, or LG Magna's other decision to source the Goods from any alternate supplier(s), Supplier will cooperate with LG Magna in the transition of supply of the Goods, including at LG Magna's option, the following: (i) Supplier will continue production and delivery of all Goods as ordered by LG Magna, at the prices and other terms stated in this Order, without premium or other condition, during the entire period reasonably needed by LG Magna to complete the transition to the alternate supplier(s), such that Supplier's action or inaction causes no interruption in LG Magna's ability to obtain the Goods as needed; (ii) at no cost to LG Magna, Supplier will promptly provide all requested information and documentation regarding and access to Supplier's manufacturing process, including on-site inspections, bill-of-material data, tooling and process detail and samples of the Goods and components, specifications, drawings; and (iii)

subject to Supplier's reasonable capacity constraints, Supplier shall provide special overtime production, storage and/or management of extra inventory of the Goods, extraordinary packaging and transportation and other special services (collectively, "Transition Support") as expressly requested by LG Magna in writing.

(b) LG Magna may terminate this Order, in whole or in part, in the event of a change of control of Supplier. For the purposes of this Order, a "change of control" includes: (i) any sale, lease or exchange of a substantial portion of Supplier's assets used in connection with Supplier's performance of its obligations under this Order; (ii) any sale or exchange of a sufficient number of shares of Supplier, or of any affiliate that controls Supplier, to effect a change in management of Supplier; or (iii) the execution of a voting or other agreement of control in respect of Supplier, or of any affiliate that controls Supplier. Supplier shall notify Buyer in writing within ten (10) days of any change of control of Supplier, with reasonable detail thereof, and LG Magna may terminate this Order by giving written notice to Supplier at any time up to sixty (60) days after LG Magna's receipt of Supplier's notice of change of control.

(c) Any termination under this Article 13.3 shall be without liability to LG Magna, except for the Goods delivered or the services performed by Supplier and accepted by LG Magna.

#### 13.4 Termination for Financial Instability

Either Party may terminate the Terms and Conditions with immediate effect by giving notice of termination in writing to Supplier, without prior recourse to any judicial or other authority, upon the occurrence of any of the following events:

- (a) Supplier becomes bankrupt, insolvent, or has its business placed in the hands of a receiver, assignee or trustee, whether by voluntarily or otherwise;
- (b) Supplier makes any composition or enters into an arrangement with his creditors;
- (c) an order is made or a resolution is passed for the winding up of the other Party, or an order is made for the appointment of an administrator to manage the affairs, business and property of the other Party, or such an administrator is appointed, or documents are filed with the court for the appointment of an administrator, or notice of intention to appoint an administrator is given by the other Party or its directors or by a qualifying charge holder, or a receiver is appointed over any of the other Party's assets or undertaking, or circumstances arise which entitle the court or a creditor to appoint a receiver or manager or which entitle the court to make a winding-up order, or the other Party takes or suffers any similar or analogous action in consequence of the debt;
- (d) Supplier has any distress or execution of the like levied upon any of its goods or effects; or
- (e) Supplier ceases, or threatens to cease, to carry on business.

## ARTICLE 14. GOVERNING LAW AND SETTLEMENT OF DISPUTE

### 14.1 Governing Law

The Terms and Conditions shall be interpreted and governed by the laws of the Republic of Korea.

### 14.2 Negotiation before Arbitration

Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Within 10 business days after delivery of the disputing Party's notice, the executives or any persons authorized to resolve the dispute of both Parties will meet at a mutually acceptable time and place, and hereafter as often as they reasonably deem necessary, to attempt to amicably resolve the dispute in good faith. All reasonable requests for information made by one Party to the other will be honored. All negotiations pursuant to this clause are confidential. If the Parties continue to be unable to resolve the dispute within 10 business days from the first meeting, either Party may initiate arbitration in accordance with the provisions of Article 14.3.

### 14.3 Settlement of Dispute

All disputes, controversies or disagreements which may arise between the parties, in relation to or in connection with the Terms and Conditions, or for the breach hereof shall be finally settled by arbitration in accordance with the International Arbitration Rules of the Korean Commercial Arbitration Board (KCAB) for the time being in force. The seat of arbitration shall be Seoul, Korea and the language of the arbitral proceedings shall be English.

### 14.4 Waiver of Jury

Each Party, to the extent permitted by law, knowingly, voluntarily, and intentionally waives, its right to a trial by jury in any action or other legal proceeding arising out of or relating to the Terms and Conditions and the transactions it contemplates. This waiver applies to any action or legal proceeding, whether sounding in contract, tort, or otherwise. Each Party acknowledges that the provisions of this Article are a material consideration in executing and delivering the Terms and Conditions and consummating the transaction it contemplates.

### 14.5 Waiver of Discovery

Each Party, to the extent permitted by law, knowingly, voluntarily, and intentionally waives, discovery in any action or other legal proceeding arising out of or relating to the Terms and

Conditions and the transactions it contemplates. This waiver applies to any action or legal proceeding, whether sounding in contract, tort, or otherwise. Each Party acknowledges that the provisions of this Article are a material consideration in executing and delivering the Terms and Conditions and consummating the transaction it contemplates.

#### 14.6 Exclusion of CISG

The United Nations Convention on Contracts for the International Sale of Goods is expressly and entirely excluded.

### **ARTICLE 15. SET-OFF**

In addition to any right of set-off or recoupment provided by law, all amounts due by Supplier and its subsidiaries and Affiliates shall be considered net of indebtedness or obligations of Supplier and its subsidiaries and Affiliates to LG Magna and its subsidiaries and Affiliates, and LG Magna and its subsidiaries and Affiliates may set-off against or recoup from any amounts due or to become due to Supplier and its subsidiaries and affiliates from LG Magna and its subsidiaries and Affiliates however and whenever arising. LG Magna may do so without notice to Supplier or its subsidiaries or Affiliates. If any obligations of Supplier or its subsidiaries or Affiliates to LG Magna or its subsidiaries or Affiliates are disputed, contingent or unliquidated, including Customer warranty claims made before final determination of cause, LG Magna may defer payment of amounts due until such obligations are resolved.

### **ARTICLE 16. MISCELLANEOUS PROVISIONS**

#### 16.1 Notice

Any notice required or permitted to be given hereunder shall be in writing, and may be given by personal service, registered airmail, or electronic transmission to the commodity buyer in charge of the applicable project at the time. Any notice so given shall be deemed to be received, if sent by airmail, upon receipt or ten (10) days after posting, whichever is earlier, or if sent by email, twenty-four (24) hours after dispatch.

#### 16.2 Survival

The Parties' rights and obligations which, by their nature, would continue beyond the termination, cancellation, or expiration of the Terms and Conditions, including but not limited to those rights and obligations of the Parties set forth in ARTICLE 6. WARRANTY; ARTICLE 7. INDEMNIFICATION; ARTICLE 8. ANTI-BRIBERY LAW COMPLIANCE; ARTICLE 9. SANCTIONS AND U.S. EXPORT CONTROLS; ARTICLE 11. OTHER TERMS; ARTICLE 12. CONFIDENTIAL

INFORMATION; ARTICLE 14. GOVERNING LAW AND SETTLEMENT OF DISPUTE; ARTICLE 15.SET-OFF, ARTICLE 16. MISCELLANEOUS PROVISIONS, will survive termination, cancellation or expiration.

### 16.3 Entire Agreement

The Terms and Conditions constitutes the final agreement between the Parties. It is the complete and exclusive expression of the Parties' agreement on the matters contained in the Terms and Conditions. All prior and contemporaneous negotiations and agreements between the Parties on the matter contained in the Terms and Conditions are expressly merged into and superseded by the Terms and Conditions. The provisions of the Terms and Conditions may not be explained, supplemented, or qualified through evidence of trade usage or prior course of dealings. In entering into the Terms and Conditions, neither Party has relied upon any statement, representation, warranty, or agreement of the other Party except for those expressly contained in the Terms and Conditions. There are no conditions precedent to the effectiveness of the Terms and Conditions other than those expressly stated in the Terms and Conditions.

### 16.4 Assignment

The Terms and Conditions may not be assigned by Supplier in whole or in part, by contract or operation of law, without the prior written consent of LG Magna, provided however, that LG Magna reserves the right to assign its rights without Supplier's consent to an Affiliate of LG Magna or in connection with a sale or assignment of LG Magna's line of business relevant to the Product.

No Party may delegate any performance under the Terms and Conditions voluntarily or involuntarily. Any purported assignment of rights or delegation of performance in violation of this Article is void.

### 16.5 Amendment

The Parties may not amend the Terms and Conditions, except by written agreement of the Parties; provided however that LG Magna may from time to time, modify the Terms and Conditions at its sole discretion.

### 16.6 Waiver

No failure or delay in i) exercising any right or remedy; or ii) requiring the satisfaction of any condition under the Terms and Conditions, and no course of dealing between the Parties,

operates as a waiver or estoppel of any right, remedy or condition. A waiver made in writing on one occasion is effective only in that instance and only for the purpose that it is given and is not to be construed as a waiver on any future occasion or against any other person. To the extent any course of dealing, act, omission, failure or delay in exercising any right or remedy under the Terms and Conditions constitutes the election of an inconsistent right or remedy, that election does not i) constitute a waiver of any right or remedy; or ii) limit or prevent the subsequent enforcement of any contract provision. No single or partial exercise of any right or remedy under the Terms and Conditions precludes the simultaneous or subsequent exercise of any other right or remedy. The rights and remedies of the Parties set forth in the Terms and Conditions are not exclusive of, but are cumulative to, any rights or remedies now or subsequently existing at law, in equity, or by statute.

#### 16.7 Severability

If any one or more of the provisions contained in the Terms and Conditions shall be declared invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired, and in such case, the Parties hereto oblige themselves to reach the purpose of the invalid provision by a new, valid and legal stipulation.

#### 16.8 Headings

The headings herein are included for the purposes of convenience only and do not affect the construction or interpretation of any provision of the Terms and Conditions.

#### 16.9 Counterparts

The Terms and Conditions may be executed in any number of counterparts. Any single counterpart or set of counterparts signed by the Parties hereto shall constitute one original agreement for all purpose.

#### 16.10 Language

For the purpose of communication, the Terms and Conditions may be translated into another language, but the Terms and Conditions, which is executed in the English language, shall be the only binding version.

#### 16.11 Force Majeure

Neither Party shall be liable to the other Party for non-performance or delay in performance of

any of its obligation under the Terms and Conditions due to causes reasonably beyond its control including, but not limited to, fire, flood, epidemic, natural disasters, unavoidable accidents, governmental regulations, war, riots and insurrections, provided however, that strikes, lock-out, labor trouble, other industrial disturbances, lack of raw materials and force majeure events of a subcontractor, are expressly excluded. The list of force majeure events set forth in the previous sentence is not exhaustive, and the principle of *ejusdem generis* is not to be applied in determining whether a particular act or event qualifies as a force majeure event. Upon the occurrence of such a force majeure condition, the affected Party shall immediately notify the other Party with as much detail as possible and shall promptly inform the other Party of any further developments. Provided that, if the Supplier is the affected Party, (i) LG Magna may procure the Goods or similar products from an alternate supplier (to the extent such products are available in the marketplace as of the date of the force majeure event) and deduct from any binding part of any Contracts the quantities supplied by such alternate suppliers; (ii) the Supplier shall use its best efforts to assist LG Magna to find a suitable alternate supplier; and (iii) the Supplier shall give LG Magna preferential treatment when allocating the Goods to the Supplier's customers. Immediately after the cause is removed, the affected Party shall perform such obligations with all due speed. Should any event of force majeure continue for fifteen (15) days or more, the affected Party may terminate the Terms and Conditions upon notice to the other Party.