

**EXTERNAL WORKERS – PURCHASE AND PAY PROCESS (MAGNIT VMS)**

[Australia](#)  
[Belgium](#)  
[Brazil](#)  
[Canada](#)  
[Costa Rica](#)  
[Czech Republic](#)  
[Denmark](#)  
[Germany](#)  
[Hong Kong](#)  
[Hungary](#)  
[India](#)  
[Ireland](#)  
[Japan](#)  
[Netherlands](#)  
[Poland](#)  
[Portugal](#)  
[Singapore](#)  
[Spain](#)  
[Sweden](#)  
[United Arab Emirates](#)  
[United Kingdom](#)  
[United States](#)

## **PURCHASE AND PAY PROCESS – AUSTRALIA**

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally possible for its staff augmentation program to a third party, Magnit Global Australia Pty Ltd (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS no later than (5) Calendar Days before the end of the invoicing period or Billable Events will be processed in the next billing cycle following entry. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events.

### **Invoicing**

Magnit will have a Self-Billing Agreement with Service Provider and Magnit will produce tax compliant invoices. Magnit will generate the self-billed invoices using the Magnit VMS and these will contain the requisite details to comply with local tax laws. Service Provider will not raise its own tax compliant invoices to McKinsey. Magnit will attach the self-billed invoices between Service Provider and Magnit to a summary of approved Billable Events on a monthly basis (“**Recap Summary**” or “**Recap Summaries**”) and McKinsey will only make payments based on such Recap Summary. The Magnit VMS-generated self-billed invoices are provided for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) business days from Magnit’s receipt of payment from McKinsey. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. All expenses submitted are exclusive of VAT or related taxes.

### **Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

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## PURCHASE AND PAY PROCESS – BELGIUM

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally possible for its staff augmentation program and fee-based project work to a third party, Magnit Global UK Limited (“**Magnit**”), as their Managed Service Provider (MSP).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) monthly.

Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS within five (5) calendar days before the end of the invoicing period or Billable Events will be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events.

Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.).

### **Invoicing**

McKinsey will have a Self-Billing Agreement with Service Provider and will outsource the production of tax compliant invoices to Magnit, who will act as a third party billing agent. Magnit will generate the self-billed invoices using the Magnit VMS and these will contain the requisite details to comply with local tax laws. Service Provider will not raise its own tax compliant invoices to McKinsey. Magnit will attach the self-billed invoices between Service Provider and McKinsey to a summary of approved Billable Events on a monthly basis (“**Recap Summary**” or “**Recap Summaries**”) and McKinsey will only make payments based on such Recap Summary. The Magnit VMS generated self-billed invoices are provided for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey monthly. McKinsey’s payment terms between McKinsey and PRO are net twenty-three (23) days from receipt of invoice by McKinsey. PRO shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until PRO receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service

Provider. When expenses are incurred in a country where Service Provider is registered, all expenses submitted are to be submitted exclusive of VAT or related taxes. If expenses are incurred in countries where the Service Provider is not registered, the expenses can be submitted with VAT.

**Taxes**

In no event will PRO or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

**Service Fee**

In consideration for participation of Magnit's MSP program and Service Provider's enrolment in the MSP program, Service Provider shall pay to Magnit an administrative and processing fee (the "**Service Fee**") equal to two and three quarters percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in EUR for the Service Fee and Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider.

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## PURCHASE AND PAY PROCESS – BRAZIL

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally possible for its staff augmentation program and fee-based project work to a third party, Magnit Global UK Limited (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with PRO or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis.

Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS within five (5) calendar days before the end of the invoicing period or Billable Events will be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events.

Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.).

### **Invoicing**

Service Provider will submit invoices to Magnit on a monthly basis and PRO will verify such invoice against the Time Records Service Provider has reported in Magnit VMS. For the avoidance of doubt the parties to the invoice will be McKinsey and Service Provider. If there is a requirement for invoices to be produced in local language the Service Provider also agrees to provide a summary of each invoice in English to PRO. Once Service Provider’s invoice to McKinsey has been verified by Magnit, then Magnit will submit a summary recap of all invoices PRO receives from Service Provider, which is based on a summary of McKinsey-approved Time Records (“**Recap Summary**” or “**Recap Summaries**”). If there is a local or legal requirement for the Service Provider to submit original invoices to McKinsey, then parties will mutually agree upon the established process; provided, however, McKinsey will only issue payments based on the PRO Recap Summary. Service Provider will issue tax compliant invoices to McKinsey and PRO will also issue a Recap Summary. The Service Provider invoice should be used by McKinsey for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that PRO shall have no obligation to pay Service Provider unless and until PRO receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from PRO. Payment issues not raised within sixty (60) days are deemed waived.

**Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. All expenses submitted are exclusive of VAT or related taxes.

**Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

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## PURCHASE AND PAY PROCESS – CANADA

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally possible for its staff augmentation program and fee-based project work to a third party, Magnit Global UK Limited (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS within five (5) calendar days before the end of the invoicing period or Billable Events will be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.).

### **Invoicing**

Service Provider will submit invoices to Magnit on a monthly basis and Magnit will verify such invoice against the Time Records Service Provider has reported in Magnit VMS. For the avoidance of doubt the parties to the invoice will be McKinsey and Service Provider. If there is a requirement for invoices to be produced in local language the Service Provider also agrees to provide a summary of each invoice in English to Magnit. Once Service Provider’s invoice to McKinsey has been verified by Magnit, then Magnit will submit a summary recap of all invoices Magnit receives from Service Provider, which is based on a summary of McKinsey-approved Time Records (“**Recap Summary**” or “**Recap Summaries**”). If there is a local or legal requirement for the Service Provider to submit original invoices to McKinsey, then parties will mutually agree upon the established process; provided, however, McKinsey will only issue payments based on the Magnit Recap Summary. Service Provider will issue tax compliant invoices to McKinsey and Magnit will also issue a Recap Summary. The Service Provider invoice should be used by McKinsey for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider.

All expenses submitted are exclusive of VAT or related taxes.

**Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

**Service Fee**

In consideration for participation of Magnit's MSP program and Service Provider's enrolment in the MSP program, Service Provider shall pay to Magnit an administrative and processing fee (the "**Service Fee**") equal to 2.75 percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in CAD for the Service Fee and Service Provider will pay Magnit within 30 days from date of the invoice. Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider.

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## PURCHASE AND PAY PROCESS – COSTA RICA

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally possible for its staff augmentation program and fee-based project work to a third party, Magnit, LLC (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS within five (5) calendar days before the end of the invoicing period or Billable Events will be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.).

### **Invoicing**

Service Provider’s tax compliant invoices to McKinsey will be generated using the Magnit VMS and will contain the requisite details to comply with local tax laws. Service Provider will not raise its own tax compliant invoices to McKinsey. Magnit will attach the Service Provider tax compliant invoices to a summary of approved Billable Events on a monthly basis (“**Recap Summary**” or “**Recap Summaries**”) and McKinsey will only make payments based on such Recap Summary. The Magnit VMS-generated Service Provider invoices are provided for tax filing/audit purposes only.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. All expenses submitted are exclusive of VAT or related taxes.

### **Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

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## PURCHASE AND PAY PROCESS – CZECH REPUBLIC

### **Third Party Billing**

McKinsey has outsourced all billing where legally possible for its staff augmentation program and fee-based project work to a third party, Magnit Global UK Ltd. (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS no later than Sunday at midnight GMT or Billable Events may be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.).

### **Invoicing**

Service Provider’s tax compliant invoices to McKinsey will be generated using the Magnit VMS and will contain the requisite details to comply with local tax laws. Service Provider will not raise its own tax compliant invoices to McKinsey. Magnit will attach the Service Provider tax compliant invoices to a summary of approved Billable Events on a monthly basis (“**Recap Summary**” or “**Recap Summaries**”) and McKinsey will only make payments based on such Recap Summary. The Magnit VMS-generated Service Provider invoices are provided for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are [insert payment terms] from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. When expenses are incurred in a country where Service Provider is registered, all expenses submitted are to be submitted exclusive of VAT or related taxes. If expenses are incurred in countries where the Service Provider is not registered, the expenses can be submitted with VAT.

**Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

**Service Fee**

In consideration for participation of Magnit's MSP program and Service Provider's enrolment in the MSP program, Service Provider shall pay to Magnit an administrative and processing fee (the "**Service Fee**") equal to two and three quarters percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in CZK for the Service Fee. Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider.

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## PURCHASE AND PAY PROCESS – DENMARK

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally possible for its staff augmentation program and fee-based project work to a third party, Magnit Global UK Ltd. (“**Magnit**”), as their Managed Service Provider (MSP).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a weekly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS no later than Sunday at midnight GMT or Billable Events may be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g. illness, vacation, etc.).

### **Invoicing**

McKinsey will have a Self-Billing Agreement with Service Provider and will outsource the production of tax compliant invoices to Magnit, who will act as a third-party billing agent. Magnit will generate the self-billed invoices using the Magnit VMS and these will contain the requisite details to comply with local tax laws. Service Provider will not raise its own tax compliant invoices to McKinsey. Magnit will attach the self-billed invoices between Service Provider and McKinsey to a summary of approved Billable Events on a weekly basis (“**Recap Summary**” or “**Recap Summaries**”) and McKinsey will only make payments based on such Recap Summary. The Magnit VMS generated self-billed invoices are provided for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey on a weekly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. All expenses submitted are exclusive of VAT or related taxes.

**Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

**Service Fee**

In consideration for participation of Magnit's MSP program and Service Provider's enrolment in the MSP program, Service Provider shall pay to Magnit an administrative and processing fee (the "**Service Fee**") equal to 2.75 percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in DKK for the Service Fee and Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider.

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## PURCHASE AND PAY PROCESS – GERMANY

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally possible for its staff augmentation program and fee-based project work to a third party **Magnit Global Germany I GmbH** (“**Magnit**”), as their Managed Service Provider (MSP).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS within five (5) calendar days before the end of the invoicing period or Billable Events will be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g. illness, vacation, etc.).

### **Invoicing**

Service Provider’s tax compliant invoices to McKinsey will be generated using the Magnit VMS and will contain the requisite details to comply with local tax laws. Service Provider will not raise its own tax compliant invoices to McKinsey. Magnit will attach the Service Provider tax compliant invoices to a summary of approved Billable Events on a weekly basis (“**Recap Summary**” or “**Recap Summaries**”) and McKinsey will only make payments based on such Recap Summary. The Magnit VMS-generated Service Provider invoices are provided for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey on a weekly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is being performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. All expenses submitted are exclusive of VAT or related taxes.

### **Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

**Service Fee**

In consideration for participation of Magnit's MSP program and Service Provider's enrolment in the MSP program, Service Provider shall pay to Magnit an administrative and processing fee (the "**Service Fee**") equal to 2.75 percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in EURO for the Service Fee and Service Provider will pay Magnit within 30 days from date of the invoice. Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider.

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## **PURCHASE AND PAY PROCESS – HONG KONG**

The following sets forth the invoicing and payment process to be followed by McKinsey (“**McKinsey**”) and Service Provider in accordance with the Agreement.

### **Third Party Billing**

McKinsey has outsourced all billing where legally possible for its staff augmentation program to a third party, Magnit Global Hong Kong Limited (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a Monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS no later than Sunday at midnight GMT or Billable Events may be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g. illness, vacation, etc.).

### **Invoicing**

Service Provider recognizes and acknowledges Magnit will self-bill on behalf of Service Provider using McKinsey-approved Time Records in Magnit VMS in lieu of invoicing Magnit. These invoices will be valid tax compliant invoices where appropriate and a separate tax compliant Self-Billing Agreement will be in place except where self-billing is prohibited under local tax legislation. Under the terms of the Self-Billing Agreement Service Provider will not raise its own tax compliant invoices to Magnit.

### **Payment**

Magnit submits all approved invoices to McKinsey on a Monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. When expenses are incurred in a country where Service Provider is registered, all expenses submitted are to be submitted exclusive of VAT or related taxes. If expenses are incurred in countries where the Service Provider is not registered, the expenses can be submitted with VAT.



**Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

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## PURCHASE AND PAY PROCESS – HUNGARY

The following sets forth the invoicing and payment process to be followed by McKinsey and Service Provider in accordance with the Agreement.

### **Third Party Billing**

McKinsey has outsourced all billing where legally possible for its staff augmentation program and fee-based project work to a third party, Magnit Global UK Ltd. (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS no later than Sunday at midnight GMT or Billable Events may be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.).

### **Invoicing**

Service Provider will submit invoices to Magnit on a monthly basis and Magnit will verify such invoice against the Time Records Service Provider has reported in Magnit VMS. For the avoidance of doubt the parties to the invoice will be McKinsey and Service Provider. If there is a requirement for invoices to be produced in local language the Service Provider also agrees to provide a summary of each invoice in English to Magnit. Once Service Provider’s invoice to McKinsey has been verified by Magnit, then Magnit will submit a summary recap of all invoices Magnit receives from Service Provider, which is based on a summary of McKinsey-approved Time Records (“**Recap Summary**” or “**Recap Summaries**”). If there is a local or legal requirement for the Service Provider to submit original invoices to McKinsey, then parties will mutually agree upon the established process; provided, however, McKinsey will only issue payments based on the Magnit Recap Summary. Service Provider will issue tax compliant invoices to McKinsey and Magnit will also issue a Recap Summary. The Service Provider invoice should be used by McKinsey for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. When expenses are incurred in a country where Service Provider is registered, all expenses submitted are to be submitted exclusive of VAT or related taxes. If expenses are incurred in countries where the Service Provider is not registered, the expenses can be submitted with VAT.

**Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

**Service Fee**

In consideration for participation of Magnit's MSP program and Service Provider's enrolment in the MSP program, Service Provider shall pay to Magnit an administrative and processing fee (the "**Service Fee**") equal to two and three quarters percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in HUF for the Service Fee. Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider.

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## PURCHASE AND PAY PROCESS - INDIA

The following sets forth the invoicing and payment process to be followed by Service Provider and McKinsey. Magnit Global India Private Limited (“**Magnit**”) will be handling all billing for McKinsey staff augmentation program and fee-based project work. All time worked and expenses incurred by individuals providing services on behalf of Service Provider (“**Service Provider Personnel**”) for McKinsey (“**Time Records**”) will be reported through Magnit’s Workforce Alliance Network Direct (“**Magnit VMS**”) system. McKinsey will not authorize payment of any invoices or purchase orders submitted through any means other than Magnit VMS, unless explicitly authorized in writing by McKinsey. All Time Records for each week’s services performed must be reported in Magnit VMS no later than Sunday at midnight India Standard Time, or such Time Records will be processed in the next bill cycle following entry of the Time Record (billing cycles are monthly). For those engagements that have milestones included (as specific in the relevant SOW), Service Provider shall input all time/monies that are owed into the Magnit VMS within a reasonable timeframe, which shall be no later than five (5) Business Days after satisfactory completion of the milestone as determined by McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. In the event any Time Records are rejected by McKinsey, such Time Records shall be processed in the billing cycle following resolution. Service Provider agrees to make reasonable efforts to work with McKinsey to address any issues raised by McKinsey pertaining to the Time Records. In the event Service Provider or Service Provider Personnel do not report Time Records within sixty (60) days of the completed performance of the applicable services (as determined by McKinsey), Service Provider agrees to forfeit payment by Magnit and McKinsey.

Service Provider agrees that all Time Records are to be consolidated by Magnit and that Magnit will deduct the Consolidation Fee on all payments submitted by McKinsey to Magnit for such Time Records. A “**Consolidation Fee**” is a 2.75% consolidated billing service charge and processing fee, which shall apply to all charges, including conversion fees. All statutory and tax obligations related to the Consolidation Fee shall be the sole responsibility of Service Provider. McKinsey shall have the right to withhold income tax to the extent applicable under the (Indian) Income Tax Act, 1961 on the amounts payable to the Service Provider for the Services. For the sake of clarity, McKinsey will pay Magnit for the Services provided by Service Provider. Magnit is then responsible for making payments on behalf of McKinsey to Service Provider for the Services. Once Pro pays the Service Provider on behalf of McKinsey for the invoiced Services, no additional fees will be due from McKinsey to the Service Provider for the invoiced Services until additional invoices are submitted to Magnit, or an error in payment is submitted to Magnit in a timely manner and deemed owed by McKinsey. Notwithstanding the foregoing, the Consolidation Fee shall not include expenses, excise or sales taxes, good and services tax, nor any applicable volume discount. Service Provider will ensure compliance with all laws to enable McKinsey to avail input tax credit of goods and services tax. Where the eligible input tax credit of McKinsey is not received or short received due to an error or omission by the Service Provider, Service Provider shall indemnify and hold harmless McKinsey to the extent of the input tax credit not received or short received. McKinsey reserves the right, at its discretion, to adjust such input tax credit of goods and services tax not received or short received against any future payments that are due to the Service Provider. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) business days from Magnit’s receipt of payment from McKinsey.

Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.). The Service Provider shall be solely responsible for timely disbursement of wages and employment benefits that may be applicable to the Service Provider Personnel. As proof of this, the Service Provider shall (a) furnish wage slips to McKinsey indicating that the wages have been disbursed on a monthly basis; (b) furnish copies of monthly remittance challans evidencing contributions made in respect of the Service Provider Personnel to McKinsey on a monthly basis, and (c) submit a monthly undertaking to McKinsey stating compliance with all applicable labour laws, including the Employees' Provident Funds and Miscellaneous Provisions Act 1952 and Employees' State Insurance Act, 1948. Payment will be made to the Service Provider subject to the timely submission of these records.

## PURCHASE AND PAY PROCESS – IRELAND

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally possible for its staff augmentation program and fee-based project work to a third party, Magnit Global UK Limited (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) monthly. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS within five (5) calendar days before the end of the invoicing period or Billable Events will be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.).

### **Invoicing**

Service Provider will submit invoices to Magnit on a monthly basis and Magnit will verify such invoice against the Time Records Service Provider has reported in Magnit VMS. For the avoidance of doubt the parties to the invoice will be McKinsey and Service Provider. If there is a requirement for invoices to be produced in local language the Service Provider also agrees to provide a summary of each invoice in English to Magnit. Once Service Provider’s invoice to McKinsey has been verified by Magnit, then Magnit will submit a summary recap of all invoices Magnit receives from Service Provider, which is based on a summary of McKinsey-approved Time Records (“**Recap Summary**” or “**Recap Summaries**”). If there is a local or legal requirement for the Service Provider to submit original invoices to McKinsey, then parties will mutually agree upon the established process; provided, however, McKinsey will only issue payments based on the Magnit Recap Summary. Service Provider will issue tax compliant invoices to McKinsey and Magnit will also issue a Recap Summary. The Service Provider invoice should be used by McKinsey for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey monthly. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. When expenses are incurred in a country where Service Provider is registered, all expenses submitted are

to be submitted exclusive of VAT or related taxes. If expenses are incurred in countries where the Service Provider is not registered, the expenses can be submitted with VAT.

**Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

**Service Fee**

In consideration for participation of Magnit's MSP program and Service Provider's enrolment in the MSP program, Service Provider shall pay to Magnit an administrative and processing fee (the "**Service Fee**") equal to two and three quarters percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in EUR for the Service Fee and Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider.

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## PURCHASE AND PAY PROCESS – JAPAN

The following sets forth the invoicing and payment process to be followed by McKinsey (“**McKinsey**”) and Service Provider in accordance with the Agreement.

### **Third Party Billing**

McKinsey has outsourced all billing where legally possible for its staff augmentation program to a third party, Magnit Global Japan Limited (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS no later than Sunday at midnight GMT or Billable Events may be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g. illness, vacation, etc.).

### **Invoicing**

Service Provider’s tax compliant invoices to McKinsey will be generated using the Magnit VMS and will contain the requisite details to comply with local tax laws. Service Provider will not raise its own tax compliant invoices to McKinsey. Magnit will attach the Service Provider tax compliant invoices to a summary of approved Billable Events on a monthly basis (“**Recap Summary**” or “**Recap Summaries**”) and McKinsey will only make payments based on such Recap Summary. The Magnit VMS-generated Service Provider invoices are provided for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. All expenses submitted are exclusive of VAT or related taxes.

### **Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

**Service Fee**

In consideration for participation of Magnit's MSP program and Service Provider's enrolment in the MSP program, Service Provider shall pay to Magnit an administrative and processing fee (the "**Service Fee**") equal to 2.75 percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in JPY for the Service Fee and Service Provider will pay Magnit within 30 days from date of the invoice. Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider.

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## PURCHASE AND PAY PROCESS – NETHERLANDS

### **Third Party Billing**

McKinsey has outsourced all billing where legally possible for its staff augmentation program and fee-based project work to a third party, MAGNIT GLOBAL NETHERLANDS B.V. (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with **Magnit** or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Vendor Management System (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in the Magnit VMS no later than Sunday at midnight GMT or Billable Events may be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.).

### **Invoicing**

Service Provider recognizes and acknowledges Magnit will self-bill on behalf of the Service Provider using McKinsey-approved Billable Events in the Magnit VMS in lieu of invoicing Magnit. These invoices will be valid tax compliant invoices where appropriate and a separate tax compliant Self-Billing Agreement will be in place except where self-billing is prohibited under local tax legislation. Under the terms of the Self-Billing Agreement Service Provider will not raise its own tax compliant invoices to Magnit.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in the Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between McKinsey and the Service Provider. When expenses are incurred in a country where Service Provider is registered, all expenses submitted are to be submitted exclusive of VAT or related taxes. If expenses are incurred in countries where the Service Provider is not registered, the expenses can be submitted with VAT.

### **Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

**Service Fee**

In consideration for participation of Magnit's MSP program and Service Provider 's enrolment in McKinsey's EW program, Service Provider shall pay to Magnit an administrative and processing fee (the "**Service Fee**") equal to two and three quarters percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through the Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in EUR for the Service Fee. Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider.

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## PURCHASE AND PAY PROCESS – POLAND

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally possible for its staff augmentation program and fee-based project work to a third party, Magnit Global UK Ltd. (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS no later than Sunday at midnight GMT or Billable Events may be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g. illness, vacation, etc.).

### **Invoicing**

Service Provider’s tax compliant invoices to McKinsey will be generated using the Magnit VMS and will contain the requisite details to comply with local tax laws. Service Provider will not raise its own tax compliant invoices to McKinsey. Magnit will attach the Service Provider tax compliant invoices to a summary of approved Billable Events on a monthly basis (“**Recap Summary**” or “**Recap Summaries**”) and McKinsey will only make payments based on such Recap Summary. The Magnit VMS-generated Service Provider invoices are provided for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. All expenses submitted are exclusive of VAT or related taxes.

### **Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

**Service Fee**

In consideration for participation of Magnit's MSP program and Service Provider's enrolment in the MSP program, Service Provider shall pay to Magnit an administrative and processing fee (the "**Service Fee**") equal to 2.75 percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in PLN for the Service Fee and Service Provider will pay Magnit within 30 days from date of the invoice. Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider.

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## PURCHASE AND PAY PROCESS – PORTUGAL

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally possible for its staff augmentation program and fee-based project work to a third party, Magnit Global UK Ltd. (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS no later than Sunday at midnight GMT or Billable Events may be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g. illness, vacation, etc.).

### **Invoicing**

Service Provider will submit invoices to Magnit on a monthly basis and Magnit will verify such invoice against the Time Records Service Provider has reported in the Magnit VMS. Once Service Provider’s invoice has been verified by Magnit, then Service Provider will submit a consolidated invoice to McKinsey.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. When expenses are incurred in a country where Service Provider is registered, all expenses submitted are to be submitted exclusive of VAT or related taxes. If expenses are incurred in countries where the Service Provider is not registered, the expenses can be submitted with VAT.

### **Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

## PURCHASE AND PAY PROCESS – SINGAPORE

### **Third Party Billing**

McKinsey has outsourced all billing where legally possible for its staff augmentation program to a third party, Magnit Global Singapore Pte Ltd. (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS no later than Sunday at midnight GMT or Billable Events may be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g. illness, vacation, etc.).

### **Invoicing**

Service Provider recognizes and acknowledges Magnit will self-bill on behalf of Service Provider using McKinsey-approved Time Records in Magnit VMS in lieu of invoicing Magnit. These invoices will be valid tax compliant invoices where appropriate and a separate tax compliant Self-Billing Agreement will be in place except where self-billing is prohibited under local tax legislation. Under the terms of the Self-Billing Agreement Service Provider will not raise its own tax compliant invoices to Magnit.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. When expenses are incurred in a country where Service Provider is registered, all expenses submitted are to be submitted exclusive of VAT or related taxes. If expenses are incurred in countries where the Service Provider is not registered, the expenses can be submitted with VAT.

**Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

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## PURCHASE AND PAY PROCESS – SPAIN

### **Third Party Billing**

McKinsey has outsourced all billing (the invoicing of and payment by McKinsey) where legally permissible for its staff augmentation program to Magnit; therefore, all time worked, and expenses incurred (“**Time Records**”) while on assignment for McKinsey will be reported through Magnit VMS.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all Time Records through Magnit VMS on a monthly basis. Service Provider or Service Provider Personnel must report all time and expenses incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Time Records within the invoicing period that are provided must be reported in Magnit VMS no later than the last day of the invoice period or Time Records will be processed in the next bill cycle following entry of such Time Records. In the event any Time Records are rejected by McKinsey, such Time Records will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Time Records.

### **Invoicing**

Service Provider will submit invoices to Magnit on a monthly basis and Magnit will verify such invoice against the Time Records Service Provider has reported in the Magnit VMS. Once Service Provider’s invoice has been verified by Magnit, then Service Provider will submit a consolidated invoice to McKinsey.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. All expenses submitted are exclusive of VAT or related taxes.

### **Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

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## PURCHASE AND PAY PROCESS – SWEDEN

### **Third Party Billing**

McKinsey has outsourced all billing where legally possible for its staff augmentation program to a third party, Magnit Global UK Ltd. (“**Magnit**”), as their Managed Service Provider (“**MSP**”) therefore, all time worked, and expenses incurred (“**Time Records**”) while on assignment for McKinsey will be reported through Magnit VMS.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all Time Records through Magnit VMS on a monthly basis. Service Provider or Service Provider Personnel must report all time and expenses incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Time Records within the invoicing period that are provided must be reported in Magnit VMS no later than the last day of the invoice period or Time Records will be processed in the next bill cycle following entry of such Time Records. In the event any Time Records are rejected by McKinsey, such Time Records will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Time Records.

### **Invoicing**

Service Provider recognizes and acknowledges Magnit will self bill on behalf of the Service Provider using McKinsey -approved Time Records in Magnit VMS in lieu of invoicing Magnit. These invoices will be valid tax compliant invoices where appropriate and a separate tax compliant Self-Billing Agreement will be in place except where self-billing is prohibited under local tax legislation. Under the terms of the Self-Billing Agreement Service Provider will not raise its own tax compliant invoices to Magnit.

### **Payment**

Magnit submits all approved invoices to McKinsey on a monthly basis. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. All expenses submitted are exclusive of VAT or related taxes.

### **Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

### **Service Fee**

In consideration for participation of Magnit’s MSP program and Service Provider’s enrolment in the MSP program, Service Provider shall pay to Magnit an administrative and processing fee (the “**Service Fee**”) equal to two and three quarters percent (2.75%) of payments due to Service Provider by McKinsey for all time reported through Magnit VMS (or any other VMS tool identified by Magnit). The Service Fee excludes amounts paid for taxes and reimbursable expenses and includes conversion fees. Magnit will issue a separate invoice to Service Provider in SEK for the Service Fee. Service Provider authorizes Magnit to deduct the Service Fee from payments made to Service Provider

## PURCHASE AND PAY PROCESS – UNITED ARAB EMIRATES

### **Third Party Billing**

McKinsey has outsourced all billing where legally possible for its staff augmentation program to a third party, Magnit Global UK Ltd. (“**Magnit**”), as their Managed Service Provider (“**MSP**”).

### **Service Provider Personnel**

Service Provider is, and shall always remain, solely and exclusively responsible for any and all payments due to Service Provider Personnel for any and all purposes, including compliance with any applicable laws or regulations, and shall inform Service Provider Personnel that they have no relationship of employment or agency with Magnit or McKinsey.

### **Time Capture**

Service Provider or Service Provider Personnel shall report all billable time and materials and/or deliverables/milestones (“**Billable Events**”) through Magnit’s Workforce Alliance Network Direct system (“**Magnit VMS**”) on a monthly basis. Service Provider or Service Provider Personnel must report all Billable Events incurred within sixty (60) days of the Service Provider Personnel’s Services or else Service Provider forfeits any right to payment for all Services not timely reported. McKinsey will not authorize payment of any invoices submitted by Service Provider other than as stated herein, unless explicitly authorized in writing by McKinsey. All Billable Events within the invoicing period that are provided must be reported in Magnit VMS no later than Sunday at midnight GMT or Billable Events may be processed in the next billing cycle following entry of such Billable Events. In the event any Billable Events are rejected by McKinsey, such Billable Events will be processed in the billing cycle following resolution. McKinsey and Service Provider agree to make reasonable efforts to address any issues raised by McKinsey pertaining to the Billable Events. Subject to the terms of the Agreement, fees for Service Provider Personnel’s Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g. illness, vacation, etc.).

### **Invoicing**

Service Provider will submit invoices to Magnit monthly and Magnit will verify such invoice against the Billable Events Service Provider has reported in Magnit VMS. For the avoidance of doubt the parties to the invoice will be McKinsey and Service Provider. If there is a requirement for invoices to be produced in local language the Service Provider also agrees to provide a summary of each invoice in English to Magnit. Once Service Provider’s invoice to McKinsey has been verified by Magnit, then Magnit will submit a summary recap of all invoices Magnit receives from Service Provider, which is based on a summary of McKinsey-approved Billable Events (“**Recap Summary**” or “**Recap Summaries**”). If there is a local or legal requirement for the Service Provider to submit original invoices to McKinsey, then parties will mutually agree upon the established process; provided, however, McKinsey will only issue payments based on the Magnit Recap Summary. Service Provider will issue tax compliant invoices to McKinsey and Magnit will also issue a Recap Summary. The Service Provider invoice should be used by McKinsey for tax filing/audit purposes only.

### **Payment**

Magnit submits all approved invoices to McKinsey monthly. McKinsey’s payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) Business Days from Magnit’s receipt of payment from McKinsey. “**Business Days**” as used herein refers to standard working days in the country in which the work is performed. Service Provider acknowledges that Magnit shall have no obligation to pay Service Provider unless and until Magnit receives payment from McKinsey. Service Provider will only be paid for time properly reflected and authorized by McKinsey in Magnit VMS. Service Provider must give notice of any errors or omissions relating to payment within sixty (60) days of Service Provider’s receipt of payment from Magnit. Payment issues not raised within sixty (60) days are deemed waived.

### **Expenses**

Magnit and McKinsey shall not be liable to Service Provider for any overtime and/or expenses incurred relative to Services under this Agreement unless otherwise agreed to in writing in advance between Magnit and Service Provider. When expenses are incurred in a country where Service Provider is registered, all expenses submitted are to be

submitted exclusive of VAT or related taxes. If expenses are incurred in countries where the Service Provider is not registered, the expenses can be submitted with VAT.

**Taxes**

In no event will Magnit or McKinsey be liable for the Service Provider payment of any penalties or interest due on VAT, sales tax, withholding tax, etc.

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## PURCHASE AND PAY PROCESS – UNITED KINGDOM

The following sets forth the invoicing and payment process to be followed by Service Provider and McKinsey for McKinsey's staff augmentation program and fee-based project work, which has been outsourced by McKinsey to a third party, MAGNIT GLOBAL UK LIMITED ("**Magnit**"). All time worked, and expenses incurred by individuals providing services on behalf of Service Provider ("**Service Provider Personnel**") for McKinsey ("**Time Records**") will be reported through Magnit's Vendor Management System ("**Magnit VMS**") system] / [a third-party reporting system as specified by McKinsey]. McKinsey will not authorize payment of any invoices or purchase orders submitted through any means other than Magnit VMS, unless explicitly authorized in writing by McKinsey. All Time Records for each week's services performed must be reported in the Magnit VMS no later than Sunday at midnight local time, or such Time Records will be processed in the next bill cycle following entry of the Time Record (billing cycles are weekly). For those engagements that have milestones included (as specified in the relevant SOW), Service Provider shall input all time/monies that are owed into the Magnit VMS within a reasonable timeframe, which shall be no later than five (5) Business Days after satisfactory completion of the milestone as determined by McKinsey. "**Business Days**" as used herein refers to standard working days in the country in which the work is performed. In the event any Time Records are rejected by McKinsey, such Time Records shall be processed in the billing cycle following resolution. Service Provider agrees to make reasonable efforts to work with McKinsey to address any issues raised by McKinsey pertaining to the Time Records. In the event Service Provider or Service Provider Personnel do not report Time Records within sixty (60) days of the completed performance of the applicable services (as determined by McKinsey), Service Provider agrees to forfeit payment by Magnit and McKinsey.

Service Provider agrees that all Time Records are to be consolidated by Magnit and each invoice shall be subject to a 2.75% consolidated billing service charge and processing fee, which shall apply to all charges, including conversion fees ("**Consolidation Fee**"). Notwithstanding the foregoing, the Consolidation Fee shall not include expenses, excise or sales taxes, nor any applicable volume discount. The Consolidation Fee shall be deducted from any payment of receivables to Service Provider. McKinsey's payment terms between McKinsey and Magnit are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) business days from Magnit's receipt of payment from McKinsey. For the avoidance of doubt, all charges (including Time Records) shall be calculated, and payments made in pounds sterling. All amounts payable are exclusive of any VAT properly chargeable in accordance with laws. McKinsey shall pay VAT at the rate for the time being properly chargeable in respect of the services subject to the Service Provider providing McKinsey with such valid tax invoices or other documentation as may be required by any relevant laws.

Subject to the terms of the Agreement, fees for Service Provider Personnel's Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.).

The Service Provider shall maintain complete and accurate records of, and supporting documents for, the amounts billable to and payments made by McKinsey pursuant to this addendum in accordance with generally accepted accounting principles, applied on a consistent basis, for a minimum period of seven (7) years (unless a longer period is required by law or regulation in which case such longer period shall be deemed to apply) following the end of the term of the Agreement. The Service Provider shall also maintain complete and accurate records of the time spent and materials used by the Service Provider in providing the services and shall provide McKinsey with all such documentation and other information as McKinsey may reasonably require with respect to each invoice to verify its accuracy and compliance with the provisions of this Agreement. McKinsey may at any time require the Service Provider to provide with every invoice a schedule of supporting information relating to that invoice.

Payment by McKinsey shall be without prejudice to any claims or rights which McKinsey may have against the Service Provider and shall not constitute any acknowledgment by McKinsey as to the proper performance by the Service Provider of its obligations under this Agreement.

## PURCHASE AND PAY PROCESS – UNITED STATES

The following sets forth the invoicing and payment process to be followed by Service Provider and McKinsey for McKinsey's staff augmentation program and fee-based project work which has been outsourced by McKinsey to a third party, **Magnit, LLC ("Magnit")**. All time worked, and expenses incurred by individuals providing services on behalf of Service Provider ("**Service Provider Personnel**") for McKinsey ("**Time Records**") will be reported through Magnit's Vendor Management System ("**Magnit VMS**"). McKinsey will not authorize payment of any invoices or purchase orders submitted through any means other than Magnit VMS, unless explicitly authorized in writing by McKinsey. All Time Records for each week's services performed must be reported in the Magnit VMS no later than Sunday at midnight Pacific Standard Time (PST), or such Time Records will be processed in the next bill cycle following entry of the Time Record (each billing cycle is one week in length). For those engagements that have milestones included, Service Provider shall input all time/monies that are owed into the Magnit VMS within a reasonable timeframe, which shall be no later than five (5) business days after satisfactory completion of the milestone. In the event any Time Records are rejected by McKinsey, such Time Records shall be processed in the billing cycle following resolution. Service Provider agrees to make reasonable efforts to work with McKinsey to address any issues raised by McKinsey pertaining to the Time Records. In the event Service Provider or Service Provider Personnel do not report Time Records within sixty (60) days of the completed performance of the applicable services, Service Provider agrees to forfeit payment by Magnit and McKinsey.

Service Provider agrees that all Time Records are to be consolidated by Magnit and each invoice shall be subject to a 2.75% consolidated billing service charge and processing fee, which shall apply to all charges, including conversion fees ("**Consolidation Fee**"). Notwithstanding the foregoing, the Consolidation Fee shall not include expenses, excise, or sales taxes, nor any applicable volume discount. The Consolidation Fee shall be deducted from any payment of receivables to Service Provider. McKinsey's payment terms between McKinsey and Magnit, LLC are net twenty-three (23) days from receipt of invoice by McKinsey. Magnit shall release payment to Service Provider within seven (7) business days from Magnit's receipt of payment from McKinsey.

Subject to the terms of the Agreement, fees for Service Provider Personnel's Services will be paid based on fully documented timesheets that have been pre-approved by McKinsey. McKinsey will not pay Service Provider for: (a) travel times (to and from the office, for e.g.), (b) break and lunch times, (c) travel or work times outside of standard business hours (defined as an 8-hour day), or (d) periods in which the Service Provider Personnel do not render any Services (e.g., illness, vacation, etc.).

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