

BMW Italia S.p.A.



**General Terms and Conditions for the Purchase of Goods and
Services by BMW Italia S.p.A.**

Version 07/2019

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1. Scope

- 1.1 These General Terms and Conditions ("GTC") govern relations arising from the supply of goods (excluding production materials and vehicle components), including software and/or the provision of services, (hereafter "**Indirect Purchases**" and singular "**Indirect Purchase**") by BMW Italia S.p.A. ("**BMW Italia**").
- 1.2 The contractual counterparty shall be referred to herein as the "**Supplier**".
- 1.3 BMW Italia and the Supplier may be referred to herein jointly as the "Parties" or individually as the "Party".

2. Completion of the Contract

- 2.1 The Indirect Purchase Contract (hereafter "**Indirect Purchase Contract**" or "**Indirect Purchase Agreement**") shall be completed with the issue of a Purchase Order or a call-off (hereafter, jointly, the "**Order**") by BMW Italia and the subsequent order acknowledgement by the Supplier. The Order BMW Italia submits to the Supplier shall specify the quantity of goods/services to be supplied, and the place and date of delivery. Similar specifications shall apply in the event of an amended Order.
- 2.2 Unless otherwise agreed, the version of the GTC in full force and effect at the moment the Order is completed shall be an integral part of the Indirect Purchase Agreement. If the GTC is not annexed to the document transmitting the Order, whether a Purchase or Service Order, it shall be sent to the Supplier on request.
- 2.3 In addition to these GTC, depending on the nature of the Indirect Purchase, further Special Terms and Conditions ("STC") may apply. In the event of a discrepancy, the STC shall prevail over these GTCs.
- 2.4 In the event of several documents governing the Indirect Purchase Contract giving rise to different interpretations, the following order of priority shall apply:
 - a) Specific Indirect Purchase Agreement between BMW Italia and the Supplier (if any);
 - b) Specific Supplier quotation (hereafter "**Quotation**"), accepted by BMW Italia, complete with documents requesting a Quotation transmitted by BMW Italia (hereafter "**Request for Quotation**"), including all annexes, excluding the General Terms and Conditions of the Supplier;
 - c) Framework Agreement between BMW Italia and the Supplier (if any);
 - d) Purchase Order/Service Order from BMW Italia with attached STC (if any);
 - e) Purchase Order/Service Order from BMW Italia with attached GTC.Should the Supplier Quotation as specified under art. 2.4, subsection b) differ from and/or conflict with the Request for Quotation, the Quotation shall be deemed to have been accepted only if the Supplier has specified and drawn attention to the differences/discrepancies in the Quotation itself and BMW Italia has explicitly accepted them. Otherwise, the specifications in the Request for Quotation shall apply and the Supplier shall comply with these specifications. Different or additional delivery terms by the Supplier shall not be deemed to have been accepted even where not explicitly rejected by BMW Italia. Should the Supplier acknowledge the Purchase Order/Service Order received from BMW Italia amending the Purchase Order/Service Order transmitted, the amendments shall be valid only if explicitly accepted in writing by BMW Italia.
- 2.5 The GTCs applicable to the main Purchase Order/Service Order shall be applied, insofar as this is possible, to any amendment or addition to the Order, even where this has not been explicitly agreed.

3. Performance of the Indirect Purchase Contract

- 3.1 The Supplier shall be liable for Indirect Purchases ordered by BMW Italia. In other words, he shall be liable to BMW Italia for the supply of goods/ carrying out of work or provision of services (hereafter "**Provisions**") in all phases, irrespective of whether he has used subcontractors directly or indirectly in the execution of the Provisions.
- 3.2 The Supplier shall guarantee compliance with all applicable regulations during the execution of the Provisions, including, where applicable, current privacy regulations, i.e. until 24 May 2018 Legislative Decree 196/2003 and from 25 May 2018, also European Regulation 679/2016 ("**GDPR**") and other Italian regulations coordinating with the GDPR (hereafter "**Applicable Privacy Regulations**"), irrespective of whether he uses subcontractors directly or indirectly. The Supplier shall guarantee and hold BMW Italia harmless from any damages claimed by third parties caused by the Supplier or a subcontractor, arising from the failure to comply with applicable regulations, including the treatment of Supplier personnel.
- 3.3 Without prejudice to articles 3.1 and 3.2, the Supplier may appoint subcontractors for the execution of the Provisions only after obtaining the written consent of BMW Italia.
- 3.4 Any materials provided by BMW Italia shall be requested by the Supplier in good time and in the precise amounts required, in order to guarantee the proper execution of the Provisions.
- 3.5 The Supplier shall appoint a project manager. The project manager shall plan, coordinate and monitor all the needs of the project based on relevant current regulations (such as regulations governing the use and maintenance of equipment, accident prevention, health and safety in the workplace, etc.) and shall liaise with the project manager of BMW Italia. On request, at any time, the project manager of the Supplier shall communicate to the BMW Italia project manager the progress of the work on the Provisions. Doing so, he/she shall provide an updated schedule with the start and finish dates, the degree of completion and the status of each function. BMW Italia may report to the Supplier objective reasons for replacing the project manager appointed by the Supplier, within the limits established by the law, and the Supplier shall seek to act on the motivated request of BMW Italia.
- 3.6 The Supplier shall ensure that its employees and collaborators working on the project shall comply with the dispositions applied by BMW Italia to external visitors and the related regulations. In this regard, the regulations set out by the safety managers on the premises of BMW Italia shall be complied with. Serious violations to these dispositions shall authorize BMW Italia to remove the personnel appointed by the Supplier from the premises.
- 3.7 The Supplier shall adopt the measures required to perform the Provisions without additional costs, even where not specifically indicated in the Purchase Order. More precisely:
 - a) the Supplier shall assign a code to the items supplied as specified by BMW Italia.
 - b) The Supplier shall document all the tests, checks carried out and the results of The Performance rendered and shall easily ensure that the results are assigned to specific Performance. The Supplier will retain the documentation for a period of at least 10 years from the complete performance, upon request, he will deliver it to BMW Italia, provided that before the destruction he will offer it to BMW Italia.
 - c) The documents required to deem the Provisions completed shall be made ready or supplied by the Supplier in good time. The Supplier shall check these documents in order to guarantee that they are complete and accurate, both in relation to

any irregularities and to complete the preparatory work of third parties. The Supplier shall communicate to BMW Italia in writing and in good time any reservations it may have and shall provide the reasons; it shall also agree the method for performing the Provisions with the BMW Italia project manager.

d) The documents and equipment provided to the Supplier shall remain the exclusive property of BMW Italia. They shall be returned to BMW Italia at its request and, in all cases, after completion of the Provisions.

3.8 The Supplier hereby accepts, in the manner BMW Italia sees fit, verification and checks (hereafter the **"Audit"**) – carried out on its premises by appointed personnel and/or by sending a check-list – in order to ensure compliance with the Applicable Privacy Regulations, where the Provisions require the processing of personal data. For the carrying out of Audits, the Supplier shall not claim the reimbursement of any costs involved from BMW Italia.

Audits may be carried out before each processing and, in all cases, on a regular basis, every [3] years.

Should the result of the Audit carried out by BMW Italia detect serious non-compliance with The Applicable Privacy Legislation and/or no adjustments to the instructions agreed in the "Agreement on The Processing Of Personal Data", The Supplier will be obliged to comply with the requests for timely adjustment that BMW Italy should make, without the charge of additional costs to be borne by the latter.

After BMW Italia has carried out the Audits, should it become necessary to ask the Supplier to make changes for serious non-compliances with the Applicable Privacy Regulations, the Supplier shall meet these requests and shall sign a new "Data Processing Manager Protocol" integrated with the new instructions.

3.9 BMW Italia may refuse to make payment for the Provisions and to accept them if this involves a violation of the relevant dispositions, or where the Supplier has violated a legal disposition conflicting with the provisions of paragraph 3.2.

4 Changes and additions

4.1 BMW Italia may at any time request modifications and additions to The Services at its discretion and, if the object of The Same is the supply of goods, at least until the acceptance procedure, taking care to take into account the interests of The Supplier. This will apply in particular to changes in services and additional services, which would be necessary for technical reasons, as a result of set targets or to meet delivery times or cost targets. At any time, BMW Italia may request changes and integrations to the Provisions as it see fit and, if the Provisions comprise goods, may do so at least until acceptance, bearing in mind the interests of the Supplier. The Supplier shall propose to BMW Italia the amendments it deems necessary or suitable to guarantee execution of the Provisions and, in all cases, to implement these changes after receiving consent in writing from BMW Italia.

4.2 If the changes proposed by one or other Party involve an increase or reduction in costs and/or a revised delivery schedule, the Supplier shall notify this with the proposed changes or immediately after receiving the change request from BMW Italia and shall consequently revise the quotation. The change shall be carried out on the basis of a written agreement specifying details for the payment of the additional costs or the reimbursement due to diminished costs, with the time required to carry out the Provisions.

4.3 If the proposed changes require the Supplier to carry out additional Provisions not specified originally, the Supplier shall have the right to an additional fee only where agreed before carrying out the additional Provisions. The additional fee shall be calculated using the same principles applied for the original calculation of the prices of the original Provisions.

5 Acceptance procedure

5.1 If the Provision consists in carrying out works or providing a service, a formal acceptance procedure shall be established. BMW Italia shall carry out the acceptance procedure after receiving notification of completion by the Supplier and after all the documents pertaining to the works or services carried out have been provided. If verification of the works or services carried out by the Supplier involves a start-up or test procedure, acceptance shall not be given before the positive outcome of the start-up or test of the works or services.

5.2 If the Supplier creates, modifies or supplies software as part of the contractual Provisions, after carrying out the relevant tests of the functioning of the program it shall supply the software to BMW Italia in a format and on a suitable data support that is automatically testable and legible, together with the source code and complete documentation. At the delivery stage, the Supplier shall allow BMW Italia to examine the source code and accompanying documentation.

5.3 For the purposes of the acceptance procedure, a formal acceptance log shall be set up. In all cases, formal acceptance shall not be complete until the Supplier has rectified any defects detected. Defects shall be rectified promptly by the time established by BMW Italia.

5.4 There shall be no tacit form of acceptance, which shall be properly documented. Delivery of the works or completion of the services shall not comprise acceptance. Payment by BMW Italia shall not be construed as acceptance by BMW Italia of the work and/or services.

6 Unilateral termination of the Indirect Purchase Contract and specific termination clause

6.1 If the Indirect Purchase Agreement includes the execution of works or provision of services, BMW Italia may terminate the purchase agreement or any part of it at any moment. In this case, BMW Italia shall pay Supplier the documented costs incurred directly by the Supplier as a result of the Order until the moment of termination of the Indirect Purchase Agreement. The Supplier shall not make any claim for further payment for termination where BMW Italia demonstrates that termination was justified and gave sufficient notice.

6.2 BMW Italia may require termination of the Indirect Purchase Agreement where the Supplier fails to carry out its obligations with regard to the Provisions. If the Supplier is the cause of termination, BMW Italia shall pay for the Provisions which have been completed according to the Indirect Purchase Agreement to the extent in which BMW Italia may make use of the results of the Provisions, without prejudice to the right of BMW Italia to any damages incurred. This, in any case, does not prejudice BMW Italia's right to compensation.

6.3 Intellectual property rights, as specified in Section 12 ("Intellectual property rights and copyright") relating to the results of the Provisions completed up to the moment of termination are transferred from the outset to BMW Italia.

6.4 Pursuant to and with the effects of section 1456 of the Italian Civil Code, the Indirect Purchase Agreement shall be deemed legally rescinded in the following cases:

a) the Supplier or subcontractor employed by the Supplier fails to comply with or violates current law applicable directly or indirectly to the Provisions specified in the Indirect Purchase Agreement;

b) the Supplier or subcontractor employed by the supplier violates the dispositions of the Code of Ethics adopted by BMW Italia, as specified in art. 18 below;

c) it becomes clear that the Supplier is not able to guarantee the proper and prompt performance of the agreed Provisions;

- d) the Supplier has sold the company or wound up the business and these prevents the agreed Provisions from being performed;
- e) the Supplier does not guarantee or refuses the proper performance of the Audits required by BMW Italia or the Audit reveals serious non-compliances of the Supplier regarding the Applicable Privacy Regulations, or with the instructions given to the Supplier by BMW Italia with the "Appointment of the Data Processing Manager Protocol", if any, and these non-compliances cannot be promptly rectified.

7 Deadlines and delays

- 7.1 If the deadlines are specified in terms of a number of calendar weeks or months, they shall expire on the first working day. Where specified, deadlines in the Purchase Order shall be binding. If deadlines are not met through the fault of the Supplier, the provisions regarding delays shall apply.
- 7.2 If the Indirect Purchase Agreement specifies a penalty for delays, BMW Italia may also apply for further damages. If at the moment of acceptance as specified in art. 5 above, BMW Italia does not apply a penalty for delays, this shall not be construed as a waiver of penalties.
- 7.3 The above provisions shall apply where the Supplier has completed the work/services in full or in part, but they are not ready for the acceptance procedure.
- 7.4 In the event of delays which are not the fault of the Supplier, the deadline shall be extended by a reasonable period. In the events of delays caused by BMW Italia, the Supplier shall have the right to the reimbursement of any costs incurred due to the delay, excluding any loss of earnings.
- 7.5 The Supplier shall promptly notify BMW Italia in writing of any deadlines which may not be met even where BMW Italia may already be aware of the circumstances and reasons for the possible delay.
- 7.6 Cases of force majeure, Trade Union disputes, law suits or other unforeseeable events shall release BMW Italia from the obligation of accepting the works or services for the duration of the unforeseeable event.

8 Power of representation

- 8.1 The Supplier cannot represent BMW Italia in any negotiations with third parties, unless BMW Italia has authorized it to do so in writing. In all cases, the Supplier shall be authorized to do whatever necessary to complete the work or services specified in the Indirect Purchase Agreement, ensuring that the project is carried out properly without negative consequences for BMW Italia on quality, the agreed deadlines and economic aspects. This authorization shall also apply to the declarations materially required for the coordination and monitoring of the performance of the Indirect Purchase Agreement. In particular, the Supplier shall be appointed and authorized to represent BMW Italia in relation to third parties involved in the project for the management of faults and/or defects, for the specification of deadlines and the transmission of orders as well as for sending reminders relating the execution of the Provisions.
- 8.2 Third parties appointed by BMW Italia for planning and/or monitoring purposes are not authorized to represent BMW Italia in binding negotiations. In particular, third parties shall not be authorized to extend deadlines for the completion of the Provisions, or to legally accept invoice amounts, salary claims, payments of subcontractors, tolerance regarding quantities or similar matters.
- 8.3 BMW Italia shall have the right, but not the obligation, to accept goods in the absence of the Supplier or appointee of the Supplier; in no case shall BMW Italia be liable for goods deemed completed or rectified, even where a written receipt has been given. The Supplier shall be liable for all risks during custodianship.

9 Fee, invoicing and payment

- 9.1 All prices are fixed and do not include VAT, if applicable. Unless otherwise agreed, prices shall include all additional costs (such as transport and installation expenses, travel expenses, supplementary costs, flat rates, etc.). Prices shall be applied without change until the completion of the Provisions to be supplied pursuant to the Indirect Purchase Agreement.
- 9.2 Payment of goods or services pursuant to the Indirect Purchase shall be carried out on the basis of the agreed payment terms set out in the Purchase Order.
The beginning of the payment period is the date of receipt of the goods where they will be used or the date of the acceptance procedure for services or receipt of the correct invoice, verifiable, in compliance with the requirements of BMW Italia as set out in paragraph 9.6.
To calculate the due date of payment, a service which is completed before the agreed time shall not be deemed completed until the agreed deadline.
- 9.3 If BMW Italia requires a bank guarantee, the Supplier shall submit this guarantee with the text provided by BMW Italia. The guarantee shall be issued "enforceable on first demand" by a primary and accredited bank or insurance company. The guarantee shall cover, for example, all the damages arising from the failure to complete the Provisions, failure to rectify faults or defects and against a performance guarantee for the Provisions. Credits may be offset if the claim of the Supplier is not explicitly disputed by BMW Italia, or offsetting is the result of a decision taken by a legal body with jurisdiction.
- 9.4 Invoices shall be paid by bank transfer.
- 9.5 BMW Italia may offset its payables to the Supplier with receivables from the Supplier.
- 9.6 The Supplier shall send BMW Italia an invoice compliant with commercial practice and Italian tax regulations, citing the number of the Purchase Order. The original invoice shall be sent to the Administrative offices of BMW Italia.
- 9.6.1 The original invoice must be sent to the BMW Italy Administration Office.
- 9.6.2 The invoice shall, in particular, contain the following information:
 - Complete name and address of the Supplier and recipient of the services
 - VAT number and tax code of the Supplier and recipient of the services
 - Unique consecutive invoice number
 - Issue or invoice date
 - Date of delivery of the goods or provision of the services
 - Standard commercial name of the goods/services
 - Quantity details
 - Total taxable amount with details of VAT rate
 - VAT payable
 - If the operation for which the invoice is issued includes goods/services subject to different VAT rates, the items shall be set out separately with the applicable rates
 - For non-taxable operations or operations that are tax exempt, the relevant exemption or other regulation shall be cited

- Any reductions in agreed payment terms should be shown unless already shown in the fee.
- 9.6.3 At the request of BMW Italia, all invoice documents shall be provided in electronic format (electronic invoicing).
- 9.6.4 BMW Italia may refuse to pay an invoice which does not include all the data set out in paragraph 9.6; the costs incurred by BMW Italia shall be debited to the Supplier. The agreed payment period shall not begin until BMW Italia receives a new invoice which meets the requirements of paragraph 9.6.
- 9.7 The Supplier shall not make over receivables without the written consent of BMW Italia.

10 Taxation

- 10.1 The term "taxes" includes all present and future taxes, costs and other charges of any kind, as well as additional payments such as interest, penalties, supplementary payments and fines, fines for delays in payment, the payment of penalties due or paid by virtue of obligations under the current law.
- 10.2 BMW Italia and the Supplier shall each be responsible for carry out their obligations and paying tax. If one of the Parties fails to do so and this leads to loss, damages or other negative consequence for the other Party, the Party at fault shall reimburse the other for such losses, damages or other negative consequence.
- 10.3 If withholding tax is applicable to the sums to be paid by BMW Italia to the Supplier, BMW Italia shall apply the withholding tax in compliance with the current dispositions of the law and shall pay the withholding tax to the relevant tax authorities on behalf of the Supplier.
At the request of the Supplier and in compliance with the current dispositions of the law, BMW Italia shall provide the Supplier with a valid tax certificate demonstrating the payment of the withholding tax on behalf the Supplier.
If an agreement exists preventing double taxation, or if another disposition determines the reduction or exemption of the deduction for the purposes of withholding tax, BMW Italia shall apply the withholding tax only to the portion of the amount to which it applies or will apply the exemption if the Supplier provides BMW Italia with a valid certificate of tax exemption at least 10 working days before the due date for payment. BMW Italy will otherwise deduct and retain the amounts provided for in the event of non-application of the double taxation agreement, which will have to be paid to the competent tax authority in order to comply with the company tax law.
The Supplier shall fulfil all its obligations regarding certification, information and documentation and other obligations for the application of reduced rates or exemptions under double taxation agreements or other regulations.
- 10.4 The Supplier will have to pay all taxes to be paid by the Supplier himself for the purchase, consumption or production of goods or for the use of the services or from business travel by its employees, who are necessary for the provision of the services. Otherwise, BMW Italia shall deduct and withhold the amount without exemption or application of the agreement against double taxation, and this sum shall be paid to the relevant tax authorities to meet corporate tax obligations.

11 Warranty

- 11.1 Unless otherwise agreed, the guarantee shall be provided in accordance with the relevant provisions in force. These taxes shall be included in the price agreed with BMW Italia in the form of costs, unless the Supplier requests reimbursements, deductions or the payment of these taxes. Irrespective of this, BMW Italia shall have the right to require the rectification free of charge of any faults and/or defects, or their replacement with non-defective parts.
- 11.2 BMW Italia shall inform the Supplier of faults and/or defects as soon as they are detected.
- 11.3 Any notification of faults and/or defects by BMW Italia shall suspend the warranty period. After rectification of the faults and/or defects, the warranty period shall resume.

12 Intellectual property rights and rights of use

- 12.1 The Supplier shall guarantee that the goods, works or services provided are not subject to the intellectual property rights of third parties, which exclude or compromise the use of the goods, works or services rendered to BMW Italia; in addition, the Supplier shall guarantee that it has acquired any rights of use.
- 12.2 The Supplier shall hold BMW Italia harmless from any claims of third parties relating to intellectual property rights, including copyright, brought against BMW Italia due to the use of the goods, works or services rendered by the Supplier to BMW Italia. This indemnity shall not apply if the Supplier was not aware and could not have been aware of the existence of third party rights. The Supplier shall directly defend suits on its own behalf and at its own expense. This will not affect any rights to compensation for damage and termination of the contract in favor of BMW Italy.
- 12.3 Unless otherwise agreed, all rights of use and exploitation pursuant to copyright, intellectual property rights and related and trademark rights, in relation to the goods, works or services, and any output of these activities rendered under the Indirect Purchase Agreement shall be transferred from the outset to BMW Italia, at the moment they are created, without reserve and without an additional fee. BMW Italia will be granted these rights exclusively without geographical, temporal or content restrictions, and they can be extended, transferred, reviewed, adjusted, amended, reproduced or published without the consent of The Supplier
- 12.4 During execution of the Provisions, should the Supplier create or modify software, rights of use, intellectual property rights, related and trademark rights, as specified in paragraph 12.3, these shall not be limited to the object code but shall be similarly extended to the source code and the documentation created for the software created and modified.
- 12.5 The use of goods, works or services rendered shall not be subject to charges for BMW Italia. BMW Italia has the right to register outputs for patent purposes.

13 Data protection

- 13.1 The Supplier shall ensure that the data acquired during the application of these GTCs and each Direct and Indirect Purchase, as well as for compliance with the contractual obligations arising from them, shall be processed lawfully and properly in compliance with the dispositions set out in the Applicable Privacy Regulations.
- 13.2 In relation to the specific nature of the Provisions rendered, the Supplier shall guarantee that any subcontractors or other subject involved in the performance of the Indirect Purchase Agreement comply with the dispositions set out in the Applicable Privacy Regulations.
- 13.3 For this purpose, the Supplier shall hold BMW Italia harmless from any liability, cost and damages, including any sanctions of whatever nature, arising from the violation of, or non-compliance with, the Applicable Privacy Regulations.
- 13.4 Without prejudice to paragraph 13.1 above, the Parties acknowledge that BMW Italia, in the contractual relations arising from these GTCs and from each Direct and Indirect Purchase, may come into possession of the data of employees of the Supplier. For this purpose, on behalf of BMW Italia, the Supplier shall hand the information document attached to these GTCs under

Annex 1 to everybody whose data may be processed by BMW Italia within the framework of contractual relations.

14 Confidentiality, advertising

- 14.1 The Supplier and BMW Italia shall consider as confidential all the other's data that directly or indirectly comes into their possession during the execution of the Provisions under the Indirect Purchase Agreement and shall not divulge this information to third parties. Irrespective of the above, BMW Italia shall be authorized to transmit the information to companies in the BMW Group.
- 14.2 The obligations of confidentiality set out in this section shall apply to all employees and collaborators of the Parties, irrespective of the type and nature of the collaboration. If they have not already done so, the Supplier and BMW Italia shall duly inform employees and collaborators of their obligations.
- 14.3 The obligations of confidentiality set out in this section shall be deemed not to apply where and to the extent that it can be shown that the information was in or entered the public domain for reasons not attributable to the Party obliged to handle the information confidentially, or if the information was obtained lawfully by third parties or were already in possession of the recipient or the information was divulged due to binding regulations in which case the recipient shall notify in advance and in writing the Party transmitting the information of the obligation to divulge the data, unless such a warning cannot reasonably be given.
- 14.4 The Supplier may publish its commercial relationship with BMW Italia only after obtaining the written consent of BMW Italia.
- 14.5 The dispositions of Section 14 shall apply after expiry or termination of the Indirect Purchase Agreement, for whatsoever reason.

15 Insurance

- 15.1 The Supplier shall stipulate and maintain at its own expense a sufficient insurance policy covering the risks arising from the liabilities associated with the supply of the goods or provision of the agreed services; at its request, the Supplier shall also provide BMW Italia with the proof of this policy. The insurance shall have a maximum cover of at least EUR 5.0 million. The liability of the Supplier shall not be limited to the maximum cover under the insurance policy.
- 15.2 Failure to request or examine proof of the insurance policy by BMW Italia shall not be construed as a waiver of any of its rights under Section 15 ("Insurance").

16 Environment

- 16.1 During execution of the Provisions, the Supplier shall use the resources necessary (specifically materials, energy and water) efficiently and shall reduce the impact on the environment to the minimum (in particular in relation to waste, effluent, atmospheric pollution and noise). Social Responsibility

17 Social liability

- 17.1 For BMW Italy, it is of fundamental importance that business activities take due account of social responsibility toward employees and society as a whole. This principle must be applied both by BMW Italy and its suppliers. BMW Italia and the Supplier acknowledge that their conduct complies with the principles and rights of the International Labour Organization (ILO) in its "Declaration on the fundamental principles and rights at work" (Geneva 06/98), the Global Compact Initiative Directives of the UN (Davos, 01/99) and Guideline Principles of the UN for Companies and Human Rights (2011). The following principles are of primary importance:
- The safeguarding of human rights
 - Abolition of forced labour and under-age work
 - Positive and negative freedom of association
 - Abolition of discrimination of gender, origin, religion and faith, Trade Union or similar membership, handicap, age, sexual identity, nationality, marital status, political affiliation, status of veteran or other characteristics safeguarded by current legislation at the local level
 - Compliance with current health and safety regulations
 - Safeguarding against arbitrary individual measures against personnel
 - Maintaining employment through basic and advanced training
 - Maintaining proper social working conditions
 - Guaranteeing conditions that provide employees with a reasonable standard of living
 - Pay that guarantees employees subsistence including social and cultural life (dignified pay)
 - Implementation of equal opportunities and policies supporting families
 - Safeguarding of the rights of indigenous people
 - Anti-corruption, anti-blackmail
 - Compliance with current laws and regulations.
- In light of the above, the Supplier shall adopt measures to prevent corruption inside the company.
- 17.2 The Supplier shall make sure all subcontractors comply with the regulations set out in this Section (social responsibility).

18 Code of Conduct of BMW Italia

The Supplier declares and guarantees that it has read, accepts and shall comply with the requirements and principles enshrined in the "Code of Ethics" adopted by BMW Italia (the current version can be consulted on the website www.bmw.it), which sets out the values that inspire BMW Italia in achieving its aims and for the prevention of crimes as specified in Legislative Decree 231/2001 and subsequent amendments and additions.

The Supplier shall also guarantee that its employees and collaborators comply with the principles set out in the "Code of Ethics" and, pursuant to section 5.2.2.1 of this Code, shall notify BMW Italia (email address odv@bmw.it) of any unlawful conduct that comes to its attention, fully aware of the consequences as set out in sections 5.2.2.2 and 5.2.2.3 of the Code. Any violation by the Supplier of the dispositions set out in the Code of Ethics of BMW Italia shall lead to termination of the Contract for just cause pursuant to and with the effects of section 1456 of the Italian Civil Code and the obligation to reimburse BMW Italia for the damages incurred.

19 Miscellaneous

- 19.1 Amendments, additions and notices of termination shall be in writing. In the case of amendments and additions, this requirement shall be deemed to have been met by notification of the amendments or additions by registered letter with return

receipt, fax or certified email, whereas notices of termination shall be sent by registered letter with return receipt of certified email. However, notifications of resolution must be submitted in writing by registered letter a.r. or certified mail.

- 19.2 Should one disposition of these GTCs or applicable STCs, or part thereof, become null and void or be inapplicable, this shall not invalidate the remaining parts of the Indirect Purchase Agreement. BMW Italia and the Supplier shall do their utmost in good faith to replace the disposition that is null and void or inapplicable with a valid and applicable disposition, which has the same commercial outcome and without making any significant change to the contents of these GTCs or applicable STCs.

20 Applicable law, Law Court and jurisdiction

- 20.1 The legal relations between the Parties shall be subject to Italian law.
20.2 Any disputes between the Parties over the interpretation or execution of this Indirect Purchase Agreement or other matter arising from it, shall be settled exclusively by the Verona Court.

Annex 1: Privacy Statement by BMW Italia S.p.A.

Date.....

Signature.....

The undersigned Supplier explicitly declares that it has carefully read and fully accepts all the above articles and, in particular, with the effects of sections 1341 and 1342 of the Italian Civil Code, specifically approves the following Articles: 2. Completion of the Contract; 3. Performance of an Indirect Purchase Contract; 4. Amendments and Additions; 6. Unilateral Termination of the Indirect Purchase Contract and Specific termination clause; 7. Deadlines and delays; 9. Fee, invoicing and payment; 11. Warranty; 12. Intellectual property rights and rights of use; 13. Data protection; 15. Insurance; 16. The environment; 17. Social responsibility; 18. Code of Ethics of BMW Italia; 20. Applicable law, Law Court and jurisdiction.

Date.....

Signature.....