



BMW Group Northern Europe.

General Terms and Conditions for Purchase of Goods and Services

1. Definitions

- 1.1. "the Agreement" comprises a written agreement and/or purchase order and these General Terms and Conditions (General Terms).
- 1.2. "Affiliate" refers to (i) company or other organization in which fifty (50) percent or more of the voting stock or ownership is directly or indirectly owned by BMW; or (ii) company or other organization that directly or indirectly owns fifty (50) percent or more of the voting stock or voting ownership in BMW; or (iii) company or other organization that directly or indirectly controls or is controlled by a company or organization defined in (i) or (ii).

1.3. "BMW" refers to one of the following BMW-companies;

BMW Danmark A/S (DK 10068622)
BMW Norge AS (NO 971130776)
BMW Northern Europe AB (SE 556313-5002)
OY BMW Suomi Ab (FI 0988005-9)
BMW Financial Services Denmark A/S (DK 25942876)
BMW Financial Services Norge NUF (NO 981060113)
BMW Financial Services Scandinavia AB Sverige: (SE 556482-8555)

as specified in separate written agreement or purchase order.

- 1.4. "Goods" refers to all goods and/or services specified in the Agreement.
- 1.5. "Personal Information" means any information or set of information that identifies, or is used by, or on behalf of, BMW to identify an individual, including without limitation, BMW's employees.
- 1.6. "Supplier" is the physical or legal entity whose tender has been accepted by BMW or to whom the purchase order is issued

2. Validity

- 2.1. These General Terms shall apply to any purchase of Goods (including software), which are not production materials or motor vehicle parts, as specified in a separate written agreement or purchase order issued by BMW where reference is made to these General Terms, insofar as they are not amended by a written agreement between the parties concerned.
- 2.2. The Supplier expressly agrees that these General Terms apply irrespective of any provision to the contrary which may appear on any order form, invoice or other document issued by the Supplier.



- 2.3. When based solely on a written purchase order the Agreement is valid when BMW has received a written order confirmation from the Supplier.

If the Supplier does not provide BMW with a written order confirmation within seven (7) days from the date of order BMW shall be entitled, but not obliged, to cancel the order without incurring any liability to the Supplier.

3. Legal relationship Between the Parties

BMW and the Supplier are independent contracting parties and the Supplier may not act on behalf of BMW or act as if the Supplier was entitled to act on behalf of BMW. Nothing in the Agreement must be interpreted as the Supplier or any of its employees, agents or administrators being considered an employee, joint venture partner, agent or partner of BMW. With reference to any supply of services, the Supplier confirms that it performs services for customers other than BMW and that it is registered for tax, evidence of such registration shall be provided to BMW upon request.

4. Prices and Payment

- 4.1. The contract price must be a fixed price unless the parties make other arrangements in writing. All prices are given without value-added tax. The Supplier is responsible for any other taxes and public duties.
- 4.2. BMW shall pay the Supplier within thirty (30) days of receipt of an invoice. The Supplier has no right to invoice prior to delivery unless specifically agreed in writing. All invoices from the Supplier to BMW must contain the following information: i) amount due, excluding value-added tax; ii) the value-added tax and tax rate to be paid; iii) the purchase order number and iv) any other information required to ensure that the invoice is a valid invoice for tax purposes. At the request of BMW, all invoicing must be supplied in electronic form (e-invoicing). The possible bank transfer variants will be specified by BMW.
- 4.3. BMW may reject an invoice which does not contain the information specified in 4.2 above. Costs incurred by BMW as a result shall be charged to the Supplier. The payment period shall not start until the date on which a new, auditable, correct invoice which satisfies the requirements in 4.2 above is received by BMW.
- 4.4. BMW may demand that payment is dealt with using a credit note procedure. The credit note notification shall be issued on the basis of delivered Goods and sent to the Supplier. In this case, the Supplier does not have to issue an invoice with the information set out in 4.2 above.
- 4.5. If BMW demands the provisions of a guarantee, the Supplier must provide this with no time limits and as specified in BMW's request. The guarantee must be provided by a reputable bank or insurance company at BMW's discretion. The guarantee must apply to all claims for non-contractual order completion, invoicing or warranty with a waiver of the defences of contestability, setting off and failure to pursue remedies and also with the exclusion of any possible deposit; however, it shall not exclude the possibility of other claims.

5. Delivery and Documentation

- 5.1. The Supplier shall mark the Goods as required by BMW and shall deliver the Goods as per the dates and destinations specified in the Agreement.



- 5.2. Partial delivery is not allowed save where otherwise has been specifically agreed between the parties.
- 5.3. In case of an anticipated late delivery the Supplier is obliged to immediately inform BMW. The Supplier shall indemnify and hold BMW harmless from any loss, damage or cost arising out of such late delivery. The aforementioned is without prejudice to any other remedies or claims that BMW may have under applicable law.
- 5.4. Risk of loss for all Goods supplied to BMW hereunder (and the obligation to provide insurance for such goods) shall pass to BMW in accordance with the trade term referenced in the Agreement or, if such trade term is not referenced, upon delivery to BMW at BMW's facility or designated warehouse. Notwithstanding the applicable delivery term, title to all goods supplied shall not pass to BMW until such goods are received at BMW's facility or designated warehouse.
- 5.5. All production equipment, materials, documentation or data to be provided by BMW shall be ordered and checked by the Supplier in good time and in the correct quantity to ensure that the Goods can be correctly delivered by the Supplier.
- 5.6. Any production equipment, materials, documentation or data supplied by BMW to the Supplier or produced using information received from BMW may not be copied, sold, used as security, pledged or otherwise passed on used for third parties without BMW's prior written approval.
- 5.7. Any production equipment, materials, documentation or data supplied by BMW to the Supplier shall be provided on a loan basis and shall remain BMW's exclusive property. They must be returned to BMW at BMW's request or at the latest after the delivery of the Goods.
- 5.8. The Supplier shall document all completed inspections and their results and shall ensure that it is easily possible to assign said results to specific Goods. The Supplier shall keep this documentation for a period of at least 10 years after the delivery of the Goods and shall supply it to BMW on request and offer it to BMW before said documentation is destroyed.

6. Warranty

- 6.1. The Supplier warrants that all goods and services ordered or provided under the Agreement, whether by itself or by subcontractors of the Supplier, (a) will conform in all respects with the specifications; (b) will be free from any defects in material, design and workmanship; (c) will be performed in a first class, professional and workmanlike manner; (d) shall be fit and sufficient for the purpose for which they are intended; (e) do not infringe any patents or other intellectual property rights of a third party; (f) comply with relevant laws, standards and regulations and (g) are free and clear from any encumbrances or rightful claim of any third party, (a-g above collectively referred to as the "Warranty").
- 6.2. The above mentioned Warranty shall be in addition to warranties implied by law and shall survive delivery and inspection of all or a part of the Goods. This warranty clause shall extend to BMW and its subsidiaries, affiliates and parent corporation as well as to their successors and assignees and to its customers distributors, dealers, agents and to its users and consumers. The Supplier expressly waives its right to claim that a complaint was made too late.

7. Breach of Warranty

- 7.1. If there is a breach of Warranty the Supplier shall indemnify and hold BMW harmless from any loss, damage or cost arising out of the breach. Goods may either be held by BMW or returned to



the Supplier at the Supplier's risk and cost and the purchase price shall be repaid by the Supplier. Replacement of Goods shall only be made if BMW issues a new purchase order.

- 7.2. The above is without prejudice to any other remedies or claims that BMW may have under applicable law.

8. Intellectual Property Rights

- 8.1. Regarding services: All rights connected to performed services, and work result of said services, are hereby immediately, exclusively, fully, finally and totally transferred to BMW without any restriction, regardless of whether the services have been performed or payment has been made. The Supplier shall to a reasonable extent assist BMW in acquiring legal protection for any intellectual property that is transferred to BMW, including signing assignment documents. The Supplier shall ensure that the services are free from third party intellectual property rights which exclude or adversely affect the use of the services by BMW and its affiliates, and that the Supplier has the authority to grant BMW the rights set out herein.
- 8.2. Regarding goods: BMW and its affiliates, distributors, dealers, agents and customers are granted an irrevocable, non-exclusive, royalty-free right and unlimited license to use all intellectual property related to the goods, included but not limited to, use, rebuild and sale of the goods that are supplied in accordance with the Agreement in any way whatsoever. The Supplier shall ensure that the goods are free from third party intellectual property rights which exclude or adversely affect the use of the goods by BMW and its affiliates, and that the Supplier has the authority to grant BMW the rights set out herein.

9. Product Liability, Indemnity and Insurance

- 9.1. The Supplier shall, without any limitation in time, defend, indemnify and hold BMW harmless from and against all damages, losses, costs, expenses and claims that arise due to a defect in the Goods that has caused personal injury, property damage or any other type of damage or injury.
- 9.2. If the Agreement includes a contract penalty, BMW is entitled to claim for compensation that goes beyond the penalty. BMW's right to demand payment of an agreed contract penalty shall not be waived in the event that BMW does not expressly reserve its right to claim for such penalty upon delivery of any Goods.
- 9.3. The Supplier shall have a professional insurance coverage reasonably satisfactory to BMW and shall upon BMW's request provide a copy of such insurance policy to BMW.

10. Sub-contractors

The Supplier shall not give assignments to or outsource the Agreement in whole or in part to a subcontractor without the prior written approval of BMW. Despite written approval of work or contracts with subcontractors, the Supplier remains responsible for all deliveries carried out and for all material, goods and equipment supplied by the Supplier and the subcontractors and individuals hired by the Supplier.

11. Termination

If not agreed otherwise both parties have the right to terminate the Agreement giving the other party thirty (30) days written notice.



12. Premature termination

If the Supplier should commit a breach or non-performance of essential importance to BMW and the Supplier does not rectify this breach or non-performance within ten (10) days BMW shall have the right to immediately terminate the Agreement wholly or in part. BMW shall also retain the right to immediately terminate the Agreement if the Supplier's business ceases to be run in a normal manner, if it declares bankruptcy, enters into composition negotiations, is the object of corporate restructuring, winding-up or can be considered insolvent in any other way.

13. Effect of termination

- 13.1. If the Agreement is terminated due to fault on behalf of the Supplier BMW shall not be liable to make payments other than for Goods delivered to BMW according to the agreement per the date of termination and that can be used by BMW. The same shall apply where the termination of the Agreement is attributable to the financial position of the Supplier. The previous shall not affect BMW's right to claim compensation.
- 13.2. If the termination of the Agreement is not attributable to the Supplier BMW shall pay the costs that the Supplier can show it has incurred in connection with the fulfilment of the Agreement until the date of termination, including costs attributable to obligations of which the Supplier cannot relieve itself from. The Supplier is not entitled to any additional compensation based on the termination of the Agreement.
- 13.3. The protected rights to use the results of Goods delivered up to the point of termination of the Agreement are transferred to BMW in accordance with section 8.

14. Force Majeure

Neither the Supplier nor BMW will be obligated to fulfill their respective undertaking as laid out in the Agreement if the inability to do so is caused by circumstances that are outside of their control. In such circumstances, the obligations of the party that cannot fulfill its undertaking are postponed for the period during which force majeure is said to apply. This presumes that all reasonable efforts have been made to fulfill the obligations of the Agreement and requires that the party's postponed obligations are fulfilled as soon as possible after the force majeure situation ceases. The aforementioned is only applicable where the party invoking this provision could not reasonably have foreseen the hindering circumstance at the time of entering into the Agreement.

15. Confidentiality

- 15.1. All commercial, financial and technical information, know-how and experience which either party may derive from the other party during the co-operation hereunder shall be confidential, and the parties shall at all times use all reasonable effort to prevent its disclosure to all third parties except affiliated companies on an as needed basis. This undertaking shall not apply to information which (i) is or becomes public knowledge otherwise than by unauthorized disclosure in breach of the Agreement, (ii) is obtained by the Supplier from a third party who is not under any duty of confidentiality with respect thereto and did not obtain it by unauthorized disclosure, (iii) is independently known or developed by the Supplier without any reference to such information or (iv) is required to be disclosed by law or a listing agreement to which the Supplier may be bound, provided always that the disclosing party informs the other party in advance and in writing before any disclosure takes place. Notwithstanding the other provisions of this section 15.1, BMW shall be entitled to disclose information to companies



which are members of the BMW Group.

- 15.2. Without BMW's prior written consent the Supplier shall not publish or make public the existence of the Agreement or the Supplier's relation to BMW unless such publication is required by mandatory law.
- 15.3. The confidentiality duties set out in this clause 15 shall also extend to all employees, agents and subcontractors of the parties without any regard for the type and legal nature of the collaboration. The parties undertake to subject such third parties to the same confidentiality duties as are set forth herein.
- 15.4. The confidentiality duties stated in this clause 15 shall survive the termination of the Agreement.

16. Ethical Business Practice

The Supplier hereby confirms that it is aware that BMW's corporate policy demands that BMW and its business relationships comply with all applicable laws. By entering into the Agreement, the Supplier agrees to carry out all undertakings in a manner that complies with both law and good business ethics. The Supplier guarantees that no one in its organization holds a position that would risk violation of ethical business practice. The Supplier also guarantees that no one in its organization will make payments to public officials or any other party in position to affect decisions and actions significant to the delivery of the Goods or any other aspect of BMW's business. The Supplier confirms that no employee of the BMW or its affiliates will be authorized to provide instructions – verbal or written – related to any undertaking on the part of the Supplier or its agent to a third party in violation of the provisions of this or any other part of the Agreement. All business transactions related to the Agreement must be correctly reported in the Supplier's account books and files. Failure of the Supplier to comply with the provisions of this section will be considered a severe breach of contract. BMW endeavors to hold itself and its suppliers to the highest ethical and compliance standards, including basic human rights, encouraging fair and equal treatment for all persons, the provision of safe and healthy working conditions, respect for the environment, the adoption of appropriate management systems and the conduct of business in an ethical manner. In performing its duties under the Agreement, Supplier acknowledges the value and importance of ethical behaviour in its performance under the Agreement.

17. Handling of Personal Information

- 17.1. The Supplier represents and warrants that in the event that the Supplier provides Personal Information to BMW the Supplier has obtained all necessary consents, approvals and authorizations to provide the Personal Information to BMW, and it is not violating any laws, rules or regulations, or the rights of any individual or entity, by providing such Personal Information to BMW. Upon request by BMW, the Supplier shall provide documentation of any applicable consents, approvals and authorizations. No Personal Information, other than the Personal Information necessary for the Supplier to deliver the Goods hereunder, shall be provided by the Supplier to BMW under the Agreement.
- 17.2. If the Supplier undertakes to process Personal Information on behalf of BMW it shall do so according to BMW's express instructions. Furthermore the Supplier undertakes to apply the necessary security measures to fulfil the requirements according to applicable law in relation to data protection. The Supplier shall ensure that all individuals involved in the processing of Personal Information shall undertake to comply with all applicable legislation and regulations



with respect to data protection, the evidence of which must be provided by the Supplier to BMW upon BMW's request.

18. Set Off

- 18.1. The Supplier shall be entitled to set off any claim against the claims of BMW or claim retention right only if its claim is undisputed or has been determined in a judicial decree.
- 18.2. BMW shall be entitled to set off any amount owing at any time from the Supplier to BMW or any of its affiliated companies against any amount payable at any time by BMW or any of its affiliated companies to the Supplier.

19. Waiver

Any waiver by either party or a breach of any provision in the Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision. No waiver of any rights under the Agreement shall be effective unless in writing and signed by the party purporting to give the same.

20. Severability

If any provision of the Agreement is held by any court or other competent authority to be void or unenforceable in whole or in part, the other provisions of the Agreement and the remainder of the effective provisions shall continue to be valid. The Supplier and BMW agree to replace a void or unenforceable provision with a provision that comes as close as possible to the common intention of the void or unenforceable provision.

21. Conflict of interest

The Supplier undertakes to without delay inform BMW of all circumstances occurring at the time the Agreement is signed or during the Agreement duration that affect the Supplier or any of its managers, administrators or any of its employees working on the Goods and can be considered a conflict of interest for the business relationship between the parties. In the event of a conflict of interest, the Supplier must immediately cease working for BMW should the BMW request such.

22. Assignment

The Supplier may not wholly or partly assign or pledge its rights or obligations under the Agreement to any third party except with the prior written consent of BMW.

23. Amendments

Amendments and additions to the Agreement shall be made in writing and signed by the parties.

24. Messages

Messages to be sent by one party to the other must be sent in the form indicated in this point and to the address indicated in the Agreement or given on BMW's purchase order and the Supplier's order confirmation respectively. Messages are to be considered received (i) when sent by mail – after two (2) workdays or (ii) when sent by e-mail or fax – at the recipient's normal closing time



on the day the message was sent or, if it is sent on the weekend, at closing time of the next workday or (iii) if personally delivered – when the message is received.

25. Headings

The headings used in the Agreement are intended to facilitate reading of the Agreement and are in no way intended to affect the content of any point or any right or obligation of the Agreement.

26. Applicable Law

This Agreement shall be governed and construed in accordance with the law of the country in which BMW (the party to the Agreement as defined in s. 1.3 above) is domiciled. The terms and conditions set out in the United Nations Convention on the International Sale of Goods (CISG) are hereby expressly excluded.

27. Disputes/Jurisdiction

Any dispute or claim arising out of or in connection with the formation, interpretation and/or the termination of the Agreement or any disputes derived or related to the Agreement, shall be decided by the courts of the same country as defined according to s. 26 above with the district court of that country's capital city as exclusive first instance (for example, if Swedish law is to be applied to the Agreement, Swedish courts shall decide the case, with District Court of Stockholm, as an exclusive first instance).

28. Environment

- 28.1. While contractual performance the Supplier shall use the necessary resources (in particular materials, energy and water) efficiently and shall reduce the environmental impact (in particular with respect to waste, wastewater, air pollution and noise) to a minimum. This also applies to the effort and expense of transportation and logistics.
- 28.2. The Supplier shall – provided that contractual performance may or will have any environmental impact – establish and maintain a certified environmental management system in accordance with the requirements of “ISO 14001” or an acknowledged and certified environmental management system derived from “ISO 14001” no later than two years following the purchase order placement and provide evidence to BMW by submission of a corresponding certificate.
- 28.3. Provided that the supply of goods is stipulated in the contract, the additional clauses below (28.3.1 to 28.3.3) shall apply.
- 28.3.1 The Supplier shall immediately upon request provide BMW with any and all information required for the quantitative assessment of Supplier's resource efficiency relating to the total annual scope of orders placed by and supplied to BMW (e.g. total energy consumption; CO2 emissions; total water consumption; process waste water; metric tons of waste; VOC emissions).
In addition, Supplier shall provide, on BMW's request, data for a life cycle assessment relating to Goods or parts thereof (including data with regard to the material input).



- 28.3.2 Polymer materials contained in Goods shall comply with the BMW requirements for Goods derived from the respective statutory targets or standards for hydrocarbon emissions of vehicles throughout the entire life cycle of the Goods. The production processes for Goods shall be adapted to comply with such BMW requirements.
- 28.3.3 The Supplier shall comply with the requirements stated in BMW Group Standard GS 93008 (1 to 4) "Substances of concern" throughout the entire life cycle of the Goods. The Supplier is responsible for registration and, where necessary, authorization or notification of chemical substances contained in Goods in accordance with the statutory requirements that apply to the market concerned (e.g. according to Regulation (EC) No. 1907/2006 (REACH), EU). In the event of a chemical substance being imported into the area of application of a relevant law, the Supplier assumes responsibility for all obligations such as named above and all associated expenditure. Furthermore, the Supplier will immediately upon request provide BMW with any and all information about goods and substances contained therein, even if such goods have already been delivered, as well as declarations and confirmations, required by BMW in order to fully and timely fulfill its statutory information duties (e.g. under Art. 33 of REACH). In the event that Goods are chemical substances, preparations or materials, Supplier shall provide BMW with "Safety Data Sheets" for these Goods.
- 28.4. The Supplier shall ensure that all and any of its sub-contractors are contractually bound to comply with the terms of this section 28 ("Environment").

29. Social Responsibility

29.1. For BMW it is of paramount importance that corporate activities take account of the social responsibility to employees and society as a whole. This applies both to BMW itself and to its suppliers. BMW and Supplier acknowledge their compliance with the principles and rights set by the International Labor Organization (ILO) in its "Declaration on fundamental principles and rights at work" (Geneva 06/98), the Directives of the UN Initiative Global Compact (Davos, 01/99) and the UN Guiding Principles on Business and Human Rights (2011). The following principles are of particular importance:

- Preservation of human rights,
- Elimination of forced, compulsory, and child labour,
- Positive and negative freedom of association,
- Elimination of discrimination on the basis of gender, origin, religion or belief, membership of a trade union or the like, handicap, age, sexual identity, nationality, marital status, political affiliation, veteran status, or other characteristics protected by local law,
- Compliance with occupational health and safety standards,
- Protection from individual arbitrary personnel measures,
- Maintenance of employability by basic and advanced training,
- Maintenance of adequate social working conditions,
- Provision of conditions that enable employees to enjoy a reasonable standard of living,
- Remuneration, which permits employees to secure their livelihoods including their social and cultural participation (living wage),
- Implementation of equal opportunities and family-friendly policies,
- The protection of indigenous rights,
- Ban on bribery and blackmail,
- Compliance with current laws and regulations.



In view thereof, the Supplier shall take adequate measures in order to prevent corruption offences within its company.

- 29.2. It shall be the Supplier's responsibility to cause all and any of its sub-contractors to act according to the regulations of this section 29 ("Social Responsibility").
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