



GENERAL CONDITIONS OF PURCHASE

I. SCOPE of APPLICATION

These general conditions of purchase (“**GCPs**”) apply to the purchases of goods and services made by Italian companies belonging to the Bayer Group (jointly “**Bayer**”) and, in particular,

Bayer S.p.A. – sole shareholder – under management and coordination of Bayer AG, Leverkusen (Germany), with registered offices in Milan, Italy at Viale Certosa no. 130, tax code, registration number in the Milan Business Register and VAT code no. 058.4913.0157, Economic and Administrative Index (R.E.A) of the Milan Chamber of Commerce no. 1.042.205, share capital EUR 103,290,000 fully paid up

Bayer CropScience S.r.l. – sole shareholder – under management and coordination of Bayer AG, Leverkusen (Germany), with registered offices in Milan, Italy, at Viale Certosa no. 130, tax code, registration number in the Milan Business Register no. 005.0690.0018, VAT code no. 113.3475.0152, Economic and Administrative Index (R.E.A) of the Milan Chamber of Commerce no. 1.458.675, share capital EUR 45,138,390 fully paid up

Bayer HealthCare Manufacturing S.r.l. – sole shareholder – under management and coordination of Bayer AG, Leverkusen (Germany), with registered offices in Milan, Italy, at Viale Certosa no. 130, tax code, registration number in the Milan Business Register no. 015.8683.0463, VAT code no. 119.7261.0155, Economic and Administrative Index (R.E.A) of the Milan Chamber of Commerce no. 1.512.089, share capital EUR 16,000,000 fully paid up.

The GCPs are available online at www.bayer.it.

The applicability of any general conditions of sale prepared by the supplier of the goods or services (“**Supplier**”) is expressly excluded.

It is understood that any specific contracts stipulated between Bayer and the Supplier for the purchase of goods or services shall take precedence over the GCPs.

II. OFFERS AND PURCHASE ORDERS

Offers and price quotes presented by the Supplier do not imply any commitment or obligation on the part of Bayer.

The acceptance of an offer presented by the Supplier may be undertaken exclusively through the issue of a Purchase Order by Bayer.

The execution by the Supplier of the service provided for in the Purchase Order implies the full acceptance by the Supplier of the terms and conditions contained in said Purchase Order and in the GCPs. This acceptance may also be confirmed prior to the execution of the service through a written Order Confirmation presented by the Supplier.

III. PRICES AND TERMS OF PAYMENT

Unless otherwise specified in certain specific agreements between Bayer and the Supplier, the prices indicated in the Purchase Order are fixed and all-inclusive. The Supplier may not request payment for amounts in addition to the prices agreed.



The prices include the transfer to Bayer of all intellectual property rights deriving from the activities of the Supplier, as provided for in Paragraph IX below.

Without prejudice to the correct execution of the Purchase Order, the fee agreed for the supply of the goods or services shall be paid within the terms indicated in the Purchase Order upon the issue of an invoice by the Supplier in accordance with the methods indicated in the Purchase Order.

IV. SHIPPING AND PACKAGING

The means of transport most convenient and suitable to Bayer's needs shall be determined during the negotiation phase with the Supplier.

If requested by Bayer, the Supplier must send Bayer an advance copy of the transport documents prior to the delivery of the goods. The transport documents must always be shipped with the goods, even when a copy has been sent to Bayer in advance. In the case of shipping by sea, the transport documents and the invoice must indicate the details of the company responsible for the shipping and the vessel. The reference number of the Purchase Order and the point of delivery specified by Bayer must be indicated on all consignment notes, delivery notes, bills of lading, invoices and on the external packaging.

The Supplier is responsible for the packaging, labelling and shipping of hazardous products in compliance with applicable national and international regulations. The accompanying documents must indicate the risk category and any other information necessary according to the regulations applicable to the chosen means of transportation.

The Supplier is responsible for any loss or damage resulting from failure by the Supplier to respect the aforementioned regulations. The Supplier also guarantees to ensure that any subcontractors it appoints respect said regulations and is wholly liable for their actions.

If, due to failure by the Supplier to observe the applicable regulations, it is not possible for Bayer to accept a certain shipment, the goods shall be held at the responsibility and expense of the Supplier. Bayer reserves the right to inspect the contents and conditions of such shipments. Tools and equipment must not be shipped with the supplied goods.

The goods must be suitably packaged by the Supplier. The Supplier must notify Bayer if particular attention is required when removing the goods from the packaging.

Unless agreed otherwise, the most recent Incoterms shall apply.

V. DELIVERY - DELAYS - FINES

Goods must be delivered to the agreed delivery point, accompanied by the documentation required by law and any specific regulations applicable to the supply of the goods in question.

Until the effective delivery of the goods and the documentation specified above to the agreed delivery point, the Supplier is responsible for any accidental loss or damage. If delivery inclusive of installation/assembly/maintenance has been agreed, the risk of loss or damage becomes the responsibility of Bayer at the moment of delivery and the due completion of the installation/assembly/maintenance agreed.

In the case that the goods/services must be accepted by law or by agreement between the parties, the deadline for the acceptance must be established jointly between the parties on the written request of the Supplier. The outcome of such a request must be documented in the acceptance certificate. The transfer of risks to Bayer shall not take place until Bayer has confirmed acceptance



in the relative certificate. Acceptance cannot take place in any other way and, in particular, cannot take place through checks, expert reports, certificates or work reports. The payment of the balance of the corresponding invoices does not constitute acceptance.

If a specific deadline has been agreed for the execution of the service due from the Supplier, it is understood that such deadline begins from the moment of receipt of the Purchase Order by the Supplier, unless otherwise agreed.

In the case of delays in fulfilling the service due, Bayer may demand the payment by the Supplier of a fine totalling no less than 0.5% and no more than 5% of the value of the Purchase Order for each week of delay, or part of this, without prejudice to any greater damages and all legal remedies.

VI. GUARANTEES AND LIABILITIES

All services to Bayer must be carried out with the utmost professional diligence, in full compliance with all applicable legal and regulatory provisions, with full administrative, economic and financial autonomy and with the organisation of means and the management of resources at the responsibility of the Supplier, in particular as concerns the management of all collaborators (both internal and any authorised subcontractors that may be called upon) involved in the execution of the supplies which, in general, are not subject to any managerial power by Bayer and are not nor shall in any way be connected to its organisation.

The Supplier guarantees that all goods and services provided are free from defects, conform to the specifications agreed, are fit for their intended purpose, and fulfil all quality requirements agreed between the Parties. The goods and services must also conform to applicable regulations, in particular, to all legal and administrative provisions, tax and social security legislation, as well as occupational health and safety regulations and environmental protection law. The Supplier shall be fully responsible for the goods and services supplied by any authorised subcontractors it engages.

If the delivery concerns machinery, equipment and/or plants, these must conform to the relative applicable regulations and must bear the CE mark.

In the case that the activities of the Supplier are carried out at a Bayer site, the Supplier undertakes to comply, within the extent of its competence, with all occupational health and safety regulations.

Unless expressly agreed otherwise in writing, Bayer is not obligated to carry out any inspection at the moment of delivery of the goods or during or after the execution of the services. The acceptance of the delivery or lack of dispute does not imply the waiver of any right, action or power connected to defects, faults or non-compliance by the Supplier, except as provided for in the following paragraph regarding the reporting of defects to the goods supplied.

Bayer undertakes to notify the Supplier of any defects to the goods supplied as soon as these are identified. In any case, any apparent defects must be reported by Bayer to the Supplier within ten (10) working days of the receipt of the goods at the point of delivery. Any defect identifiable only at a later date must be reported by Bayer within eight (8) working days of its discovery.

If the goods are subject to defects or faults, Bayer has the right to i) refuse the goods and return them to the Supplier, with the consequent reimbursement of the price paid; or ii) request the replacement/repair of the defective/faulty goods free of charge, with all return, repair or replacement costs borne by the Supplier; or iii) request a reduction in price. In any case, Bayer reserves the right to claim compensation for all damages incurred.



The defective/faulty goods shall be transported at the exclusive responsibility, expense and risk of the Supplier, subject to charges incurred for the handling and storage of the goods, as well as any additional costs.

VII. LABOUR LAW ASPECTS

Employment Legislation. The Supplier must promptly fulfil all remunerative, social security, insurance and general employment obligations with regards to its collaborators, guaranteeing, in particular, the regular recruitment process and correct classification within the relative CCNL (Collective Bargaining Agreement) according to the provisions of applicable legislation.

Foreign Collaborators. The Supplier is responsible for ensuring that all foreign collaborators comply with all regulations regarding residency and work permits in Italy and that, in the case of their presence at a Bayer site, they understand spoken and written Italian and are able to understand the health and safety instructions (including emergency plans, product labels, signs, signals, etc.).

With reference to collaborators from Extra-EU countries, the Supplier undertakes to immediately interrupt their employment for the purposes of the execution of the supply in the case that their residency / work permit has been, including on a temporary basis, suspended, revoked, cancelled or in any case is no longer valid, notifying Bayer immediately.

The Supplier undertakes to deny access to Bayer sites to collaborators not in possession of a valid residency / work permit.

VIII. REACH REGULATION

The Supplier is responsible for full compliance with Regulation (EC) no. 1907/2006 of the European Parliament and the Council of 18 December 2006 ("**REACH Regulation**"), for all substances and preparations—according to the definition provided in article 3 of the REACH regulation—provided or imported by the same.

In particular, in all of the cases provided for by article 31, paragraphs 1 to 3 of the REACH Regulation, the Supplier must provide Bayer a safety data sheet that contains all of the information envisaged by said article 31, produced in the language of the country where the substance or preparation is placed on the market. For substances and preparations where the submission of the safety data sheet pursuant to article 31 of the REACH Regulation is not required, the Supplier must, in any case, fulfil the obligations provided for in article 32 that follows.

IX. INTELLECTUAL PROPERTY

Bayer and the companies of the Bayer Group shall acquire full ownership and all rights of economic use, exclusive of all industrial and/or intellectual property rights deriving from the services or works (including intellectual services or works) supplied. Therefore:

- (i) the Supplier guarantees full ownership and free availability of the goods or services provided, and thus the right to transfer these to Bayer;
- (ii) this may include, but is not limited to, all documents, content of any nature, including online content, presentations, advertising material and drafts delivered, which shall become the property of Bayer, which can therefore use them without limitation of any kind and without further payment to the Supplier or to third parties, unless otherwise agreed in writing;



(iii) the Supplier shall hold harmless and indemnify the companies of the Bayer Group from any third-party claim related to the use or economic exploitation of the goods or services provided, it being the responsibility of the Supplier to ensure that all materials delivered and/or services provided and the use of the same do not infringe any patent, copyright or other third-party intellectual property right.

If it is not possible for the Supplier to guarantee to Bayer the exclusive ownership of the goods or services provided, it is understood that the Supplier has granted Bayer a permanent usage licence free from charges.

The Supplier undertakes to formalise the above at the reasonable request of Bayer.

It is understood that the Supplier is not granted any usage licence regarding the trademarks, logos or other intellectual property belonging to Bayer or to other companies of the Bayer Group.

X. RIGHT TO WITHDRAWAL

In long-term contracts, unless otherwise agreed between the parties, Bayer is granted the right to free withdrawal pursuant to article 1373 of the Italian Civil Code, to be exercised with written notice of 30 days.

XI. SUBSUPPLIERS

The Supplier may not engage subsuppliers for the execution of services, except with the written approval of Bayer. In this case, the Supplier is, in any case, fully liable to Bayer for the actions of such subsupplier and undertakes to indemnify and hold harmless Bayer from any action and/or claim that the same (or their employees or collaborators) may bring.

XII. INSURANCE

The Supplier undertakes to stipulate an insurance policy, with a leading provider and with appropriate maximum amounts, for the risk of injuries sustained by its collaborators (third-party liability coverage) and for the risk deriving from civil liability for any damages to Bayer or third parties. In this regard, the Supplier, if requested, must provide Bayer a copy of such insurance policies or evidence of the fact that those previously presented have been renewed.

The existence of the insurance does not exonerate the Supplier from its own responsibilities, which remains liable for any damages not wholly covered by its own insurance policies.

XIII. PRIVACY AND DATA PROTECTION

All data and information that Bayer makes available in the course of the activities, purchases or services provided, as well as the documents, data and knowledge collected, processed and developed, are made available for use exclusively for the purposes for which they were intended, are confidential, and may not be disclosed, except with the prior written authorisation of Bayer, except in the case that the Supplier is required to comply with legal obligations or to requests from the Public Authorities for which there are no legitimate grounds for refusal. Information disclosed by Bayer itself or data resulting from documents in the public domain are exempt from the privacy obligations.



The Supplier is responsible for ensuring full compliance with the privacy obligations pursuant to this article by its employees and collaborators, as well as any subsuppliers and the employees and collaborators of the same.

The Supplier undertakes to implement and maintain, on any media type, logical and physical data security measures that guarantee the protection of said data from destruction, manipulation, unauthorised access and duplication, and to return to Bayer, if requested, on the date of termination of the effectiveness of the agreements that regulate the supply, all data, documents and information provided by the same or otherwise possessed for the purposes of the activity, and to destroy all copies.

The Supplier is bound by the obligation of secrecy for the duration of the agreements that regulate the supply and for the ten years following their conclusion, except in cases where the data has entered the public domain.

Each of the Parties is responsible for full compliance with personal data protection regulations (Regulation (EU) 2016/679). The Parties both acknowledge that, in relation to the processing of personal data that falls within the activities of their respective competence, both Parties assume the role of autonomous data controller.

If Bayer instructs the Supplier to carry out any processing of personal data of which Bayer is the data controller, pursuant to article 28 of Regulation (EU) 2016/679, Bayer shall appoint the Supplier as personal data protection processor through the signing of the relative agreement, the template for which shall be provided by Bayer, containing the purposes, methods, obligations, fulfilments, guarantees and responsibilities deriving from the processing.

XIV. INDEMNITY - THIRD-PARTY CLAIMS

The Supplier, without prejudice to all legal remedies and rights, including following the expiry or termination of the agreements that regulate the supply, undertakes to indemnify and hold harmless Bayer and the companies of the Bayer Group from any appeal, claim, action (including action for damages), prejudice, damage of any kind, cost or expense (including legal expenses, without limitation) that may arise, including in relation to legal cases of several liability, following breaches of the terms of these GCPs, including if deriving from claims brought by third parties.

XV. CODE OF ETHICS

The Bayer Group has adopted the Code of Ethics published on the website www.bayer.it (direct access at http://www.bayer.it/static/documents/CORPORATE%20COMPLIANCE%20POLICY%20_ITA.pdf). The commercial relations between Bayer and its supplier must also be inspired by these principles, such that any conduct contrary to the Code of Ethics may result in the immediate interruption of the relationship without prejudice to the right to compensation for any damage incurred by Bayer.

XVI. SUSTAINABILITY

The Supplier undertakes to acknowledge and declares itself to act in compliance with the Code of Conduct available at the website <https://www.bayer.com/en/bayer-supplier-code-of-conduct.aspx>.

Bayer reserves the right to assess the services of the Supplier from a sustainability perspective, conducting checks (online, physical questionnaires, etc.) or through the execution of audits carried



out directly by Bayer or its affiliates or by third parties. The sustainability of the services of the Supplier shall be evaluated against the principles set forth in the Bayer Suppliers Code of Conduct.

XVII. APPLICABLE LAW AND JURISDICTION

All supplies to Bayer are regulated by Italian law. All disputes are subject to the sole jurisdiction of the Court of Milan.

XVIII. VALIDITY - POSSIBILITY FOR AMENDMENT

These GCPs are valid indefinitely.