



MINI USA | IRF CCRC
PROGRAM ELEMENTS.



TABLE OF CONTENTS

1. INTRODUCTION	3
2. OWNERSHIP AND LOCATION REQUIREMENTS	4
3. PROGRAM PARTICIPANTS	5
4. APPLICATION PROCESS	5
5. FACILITY REQUIREMENTS	6
6. TRAINING REQUIREMENTS	6
7. USE OF MINI TRADEMARKS	7
8. USE OF NEW MINI ORIGINAL PARTS, TOOLS, AND MATERIALS	7
9. INSURANCE PARTNERSHIP PROGRAM	8
10. IRF CCRC CERTIFICATION AND RE-CERTIFICATION PROCESS	8
11. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION	9
12. TERMINATION	9
13. HEALTH, SAFETY AND LEGAL REQUIREMENTS	10
14. MODIFICATION OF PROGRAM TERMS AND CONDITIONS	10

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1. INTRODUCTION

In 2013, MINI USA, LLC rolled out the MINI Certified Collision Repair Center (CCRC) Program, thus capturing an additional profit center and at the same time providing MINI drivers with a first-class repair experience. The CCRC program was developed to:

- Ensure MINI customers receive a first-class customer repair experience
- Ensure MINI vehicles are repaired to MINI's specifications
- Ensure MINI vehicles are repaired using only new MINI Original Parts, approved materials, tools and equipment.

Given the success of the CCRC Program, MINI USA is pleased to support an expanded CCRC opportunity. Until the commencement of the IRF CCRC Program in 2023, in order to establish a CCRC, the MINI Dealer (MINI Dealership) was required to be the majority owner of the collision repair facility. MINI USA understands that not every MINI Dealer wants to or can invest in its own collision repair facility. With that in mind, MINI USA expanded the CCRC program to allow MINI Dealers to sponsor multiple independent repair facilities within the MINI Dealer's PMA to become MINI CCRCs. This opportunity will not affect the independent repair facility's ability to repair non-MINI vehicles, but instead afford the sponsoring MINI Dealer and independent repair facility another opportunity to serve MINI customers and expand their respective businesses. MINI USA calls this new program the Independent Repair Facility Certified Collision Repair Center (IRF CCRC) Program.

2. OWNERSHIP AND LOCATION REQUIREMENTS

Under the IRF CCRC Program, no ownership interest is required. Instead, an existing MINI Dealer may sponsor, subject to MINI USA's approval, up to the maximum allowable authorized IRF CCRC's within the MINI Dealer's PMA. No IRF CCRC may be located or relocate outside the sponsoring MINI Dealer's PMA. The sponsored repair facility remains eligible to repair all non-MINI vehicles as it sees fit.

Under the IRF CCRC program, if the MINI Dealer's request to sponsor a repair facility is approved by MINI USA, MINI USA and the MINI Dealer will enter into a letter agreement setting forth the terms and conditions of the sponsorship. In addition, the MINI Dealer will enter into a separate sponsoring agreement with the IRF CCRC that includes, among other things, certain required terms and conditions. The sponsoring MINI Dealer and the IRF CCRC are free to add any additional provisions to the sponsoring agreement as long as such terms do not violate the IRF CCRC program or undermine the required terms and conditions.

The IRF CCRC is not a franchisee of MINI USA, shall have no power or authority to bind BMW AG, its subsidiaries, their affiliates, and related entities throughout the world, including MINI USA (collectively the BMW Group), and shall operate its business in its own name, on its own account, and at its own risk. IRF CCRCs shall have no power or authority to bind the BMW Group. IRF CCRCs may not describe itself as an agent for the BMW Group or otherwise indicate any agency relationship exists between the IRF CCRC and the BMW Group.

In addition, the IRF CCRC will not authorize or otherwise permit, by way of subcontract or otherwise, any person outside of its employment to perform any of the IRF CCRC's obligations under the program including any impact related paint and panel repair services with respect to any MINI vehicle.

3. PROGRAM PARTICIPANTS

Success in any endeavor is never guaranteed. The IRF CCRC Program is no different. Based on MINI USA's experience, for an IRF CCRC to obtain success, its management and staff members must have the following:

- Forward-thinking, strategic and innovative mindset
- Strong industry awareness (market and insurance companies' expectations)
- Willingness to share best practices and new collision business ideas
- Understanding of the MINI brand image and MINI customer's expectations when repairing their MINI vehicle
- Willingness to embrace new technology and processes aimed at growing the business

MINI USA will work to support the sponsoring MINI Dealer and IRF CCRC in their efforts to obtain success, but ultimately, such success depends on the sponsoring MINI Dealer and IRF CCRC.

4. APPLICATION PROCESS

In order to participate in the IRF CCRC Program, a MINI Dealer will need to submit a request to MINI USA to sponsor an IRF CCRC. The proposed IRF CCRC will then submit an application to MINI USA for approval and be subject to an onsite audit of the facility by MINI USA or its representatives. If MINI USA, in its sole discretion, approves the application, MINI USA will enter into a letter agreement with the sponsoring MINI Dealer setting forth the terms and conditions of MINI USA's approval and the sponsoring MINI Dealer will enter into a sponsoring agreement with the IRF CCRC setting forth the terms and conditions of the MINI Dealer's sponsorship. As noted above and subject to MINI USA's approval, a MINI Dealer may sponsor up to the maximum allowable number of IRF CCRCs based on the most current IRF CCRC Program update bulletin.

A copy of the IRF CCRC Sponsorship Agreement is included as Appendix A.

5. FACILITY REQUIREMENTS

Because IRF CCRCs will be working with MINI customers as an authorized repair facility, it is important that the interior and exterior of every IRF CCRC have:

- A clean and organized appearance
- Ample walking space for MINI customers to circulate
- Sufficient parking spaces for MINI customers and staff
- Orderly placement of damaged and replacement collision parts

In addition to these general requirements, each IRF CCRC must meet and adhere to the facility requirements set forth in Appendix B.

6. TRAINING REQUIREMENTS

To ensure premium collision repairs, MINI USA will conduct ongoing training for IRF CCRCs. All IRF CCRCs must participate in such training courses in order to remain an IRF CCRC. MINI USA will not pay for IRF CCRC's training or any expenses related to the training unless specifically indicated by MINI USA.

MINI USA reviews and adjusts training requirements on an annual basis. As the IRF CCRC's work on MINI vehicles grows, so will its training requirements. Required training includes ensuring that the IRF CCRC is equipped and prepared to repair MINI Electric vehicles to MINI standards. Each IRF CCRC must have a designated individual who is accountable for approving staff training and determining the training path for each individual of the facility's staff.

Training requirements are set forth in Appendix C.

7. USE OF MINI TRADEMARKS

IRF CCRCs are not entitled to use any MINI logos and/or trademarks. Notwithstanding the forgoing, IRF CCRCs may display the MINI USA approved CCRC Plaque as well as MINI USA approved and assigned marketing materials. No other uses of the MINI name or trademarks are permitted. **In the event the IRF CCRC is terminated, within 20 days of the termination the IRF CCRC will return the plaque to MINI USA via Federal Express to: Aftersales MINI USA, 300 Chestnut Ridge Road, Woodcliff Lake, NJ 07677.**

The sponsoring MINI Dealer will immediately inform MINI USA of any infringement of any MINI trademarks by its sponsored IRF CCRC. In addition, the sponsoring MINI Dealer will support MINI USA in any such action to enforce its trademarks against the offending IRF CCRC.

8. USE OF NEW MINI ORIGINAL PARTS, TOOLS, AND MATERIALS

IRF CCRCs are required to use only new MINI Original Parts and materials in the repair of a MINI vehicle. IRF CCRCs may not use or install imitation, aftermarket, non-MINI remanufactured, and/or salvage (allegedly Like Kind and Quality, LKQ) parts, including glass, on any MINI vehicle it repairs. In addition, IRF CCRCs are required to have on site and in good working condition, all approved tools and equipment necessary to properly repair MINI vehicles. IRF CCRCs will not, without the prior written consent of MINI USA, modify MINI Parts and Accessories or offer for sale or distribute modified MINI Parts and Accessories. Failure to comply with this requirement qualifies for immediate termination of the IRF CCRC.

IRF CCRCs are also encouraged to use the BMW Group ColorSystem paints. These specially selected paints meet MINI's exacting standards for repairing and refinishing MINI products.

Please refer to Appendix D for Tools, Equipment and Material Requirements.

9. INSURANCE PARTNERSHIP PROGRAM

To improve the quality and consistency of the MINI customer's repair experience, MINI USA established the Insurance Partnership Program. Under this program, MINI USA will help IRF CCRCs meet the standards of today's collision industry and the demands of the insurance providers.

Under the Insurance Partnership Program, the MINI USA Regional Wholesale, Body & Paint Manager (RWBPM) Team will work with each IRF CCRC to help improve the IRF CCRC's processes and develop efficiencies when such opportunities exist. The RWBPM will periodically evaluate the current IRF CCRC business including certification criteria, market competition and potential, market presence, social media presence, and KPI benchmarking. Based upon the evaluation, the RWBPM will assist the IRF CCRC Manager in establishing a plan to address any deficiencies and improve performance. This plan may include, but is not limited to, establishing training plans for employees, assisting in creating improved processes, or creating marketing plans for the center to gain local exposure.

10. IRF CCRC CERTIFICATION AND RE-CERTIFICATION PROCESS

Prior to becoming an IRF CCRC, the sponsored facility will be subject to a pre-approval audit of its facility. If MINI USA approves a MINI Dealer's request to sponsor an IRF CCRC, MINI USA will conduct such additional audits as it deems needed to ensure that the IRF CCRC is meeting the required IRF CCRC Program Elements. Unless otherwise agreed, the IRF CCRC is responsible for the cost of all audits. An IRF CCRC that fails to comply with the IRF CCRC Program Elements risks termination of its sponsorship and the right to operate as an IRF CCRC.

When issues of non-compliance are recognized, MINI USA will notify both the sponsoring MINI Dealer and the IRF CCRC in writing. Such notification will inform them of the results of the audit and MINI USA's actions resulting from the audit, which can include, among other things, probation or immediate termination. The decision on how to respond will be at the sole discretion of MINI USA.

11. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

MINI USA has invested heavily in the training and repair techniques and process for repairing MINI vehicles. An IRF CCRC will be given access to MINI USA's proprietary and confidential information including, but not limited to, repair techniques and manuals, technical information and bulletins, collectively considered Confidential Information. Sponsoring MINI Dealers and IRF CCRCs understand that MINI USA's approval of the sponsoring MINI Dealer and the sponsored IRF CCRC was conditioned on, among other things, the sponsoring MINI Dealer's and IRF CCRC's agreement not to make use of, or disclose any Confidential Information to anyone other than its employees needed to repair and service MINI vehicles and customers. Sponsoring MINI Dealers and IRF CCRCs are to treat all Confidential Information with at least the same degree of care as the IRF CCRC and sponsoring MINI Dealer treats its own Confidential Information. Moreover, neither the IRF CCRC nor the sponsoring MINI Dealer have any ownership interest in any Confidential Information and, within 30-days of termination of this agreement, shall return any and all tangible Confidential Information to MINI USA and destroy or delete any electronic Confidential Information.

12. TERMINATION

The sponsoring MINI Dealer and MINI USA may terminate the sponsorship of the IRF CCRC without cause upon 90-days' written notice to the other party. In addition, MINI USA may terminate approval of the IRF CCRC immediately should the sponsoring MINI Dealer or its sponsored IRF CCRC breach any of the obligations in the Letter Agreement, the Required Provisions in the Sponsor Agreement, or the requirements set forth in the IRF CCRC Program Elements. Such termination shall be effective upon written notice by MINI USA to the sponsoring MINI Dealer and its sponsored IRF CCRC. Should MINI USA terminate the Letter Agreement, the sponsoring MINI Dealer must immediately terminate its Sponsoring Agreement with the IRF CCRC. Upon termination, the IRF CCRC must: (1) immediately cease holding itself out as a MINI Certified Collision Repair Center; (2) remove all IRF CCRC marketing materials; and (3) remove any listings or advertising by the sponsoring MINI Dealer or IRF CCRC indicating that the IRF CCRC remains an authorized MINI Collision Repair Center.

13. HEALTH, SAFETY AND LEGAL REQUIREMENTS

All IRF CCRCs are expected to comply with all applicable local, state, and federal laws including all laws and regulations regarding hazardous material handling, health and safety.

14. MODIFICATION OF PROGRAM TERMS AND CONDITIONS

MINI USA reserves the right to alter or amend the IRF CCRC Program Elements at any time at its sole discretion. MINI USA will attempt to provide IRF CCRCs thirty (30) days written notice prior to the implementation of any such changes, but MINI USA is not obligated to provide any prior notice of changes to the IRF CCRC Program elements, services and/or benefits.