

General

- 1) The contract relationship issuing from the optimization of the order is solely regulated by these general purchase conditions, by the limit and specific conditions that may be included in the order and/or otherwise stipulated elsewhere in writing. Conditions that the Supplier declares to know and accept fully, thereby renouncing to his own general and particular sales conditions.
- 2) The order can no longer be cancelled by the Buyer after receiving for acceptance the enclosed confirmation card, signed by the Supplier. The Buyer has the right to cancel the order already in the process of being fulfilled, if he first doesn't receive confirmation of the order.
- 3) Unless otherwise stipulated, the prices reported in the order are to be considered not negotiable, nor subject to change in any case, binding for the Buyer, only if he accepts them in advance and writing.
- 4) Drawings, specifications, standards and any other technical information or documentation, as well as the samples, prototypes and any equipment or specification provided or made available to the Supplier for the fulfillment of the order, remain exclusive property of the Buyer, and may be used by the Supplier only in relation to the process of satisfying the terms of the contract. They must be unfailingly returned by the end of the contract.
- 5) Unless other written agreements are stipulated, within the limits of this contract the Supplier renounces to claim over the Buyer eventual industrial patent rights concerning the product supplied and undertakes to release in any case the Buyer of the burden of responsibility for violations of patent or registered brand rights belonging to third parties, incurred in the use and marketing of the product supplied. Unless explicitly specified by the Supplier before accepting the order, it is understood that materials and equipment object of supply can be exported to the country mentioned in the order and where the delivery is to take place, and in particular that they do not contain materials or components of strategic interest.
- 6) Delivery and payment may not ever be considered acceptance of the merchandise itself, thereby they do not exonerate or minimize the responsibility and warranty of the Supplier in regard to quantity, quality or suitability for the use intended.
 - 6.1) The Supplier guarantees that the merchandise delivered corresponds to the quantity specified in the order. The quantities of merchandise declared received by the Buyer at delivery shall be considered valid and final. Should the quantities delivered not be the ones agreed upon, the Buyer may choose any of these actions:
 - a. Accept the shipment delivered, altering accordingly the quantity requested for following orders.
 - b. Request the Supplier to pick up the merchandise exceeding the order, with the option of shipping it back at the Supplier risk and cost, charging him with the financial loss issuing from having already made the payment, and, if the Supplier doesn't remove the merchandise immediately, with storage fees.
 - c. Request the Supplier to send immediately the quantity not yet delivered, in any case charging the Supplier with the costs sustained because of the failure to deliver.The Buyer is to use these options within 3 months from the date of delivery.
 - 6.2) The Supplier guarantees that the merchandise delivered is free of flaws and corresponds to the quality requested. Report of flaws or/and insufficient quality of the merchandise supplied may be made by the Buyer within 9 months from delivery, even if the supply has already been introduced into production. In the latter case, the Buyer will have the right to avail himself of, besides compensation for any damage, one or two of the following options:
 - a. Obtain immediate substitution of the merchandise at the Supplier cost, who shall also take care of picking up promptly the faulty product.
 - b. Reject the supply without accepting substitution, considering the order void for the portion of merchandise returned.
 - 6.3) Unless different agreements are made, for 18 months from delivery the Supplier guarantees the product supplied to be fit for use. Under all circumstances for such period the Buyer will have right to major damage compensation. The Supplier is to substitute the product at his own cost and as soon as possible, regardless of the cause for unsuitability or where responsibility lies. The product supplied in substitution is subject to the entire period of warranty.
 - 6.4) Granted all the above, the Buyer reserves the right to suspend, from the total due to the Supplier at that moment, the payment of an amount equal to the price of the faulty or unsuitable merchandise, till the Supplier has provided to replace or supply the alternative according to requests advanced by the Buyer.
 - 6.5) Provided the obligations and responsibilities specified in the preceding paragraph, when required, the Supplier must keep in his warehouse stock in the quantity necessary to ensure continuity in delivery according to the schedule, in particular considering the possibility of having to replace a delivered product found to be unsuitable. This reserve stock, composed of tested material and regularly moved, must be reintegrated as soon as the emergency is over.

7) For what concerns the product ordered, the Buyer has the right to have the quality of the materials used, manufacturing methods and testing controlled and checked at the Supplier premises. The Supplier then agrees to allow access to his plant to the technicians commissioned by the Buyer to perform inspections and controls.

8) To ascertain compliance with the delivery terms and to transfer from the Supplier to the Buyer the risk for damage and total or partial loss of the merchandise, the products supplied are intended delivered to the Buyer premises or place by him indicated in the order, even when the shipping costs are born by the Buyer himself.

9) The Supplier must respect the schedule and terms of delivery specified in the order, delayed or earlier delivery is not acceptable. The Buyer has the right to send back the supplies delivered before the established time at the Buyer cost and risk, or to charge him for the storage cost and financial burdens caused by the earlier shipment. Delays in delivery (even of one portion) ascribable to the Supplier, authorize the Buyer to act according to the following options:

a. To request compliance with the order and apply a penalty for each week of delay amounting to 0.5% the total price of the supply not delivered in time, unless otherwise stipulated in writing.

b. To consider at any time the order cancelled, in part or whole, having full right to terminate the contract with simple notice to the Supplier, according to the Art. 1456 of the Civil Code.

10) The contract is regulated by Italian Law. The Court of Milan is the site competent to settle controversies, but the Purchaser has the right to nominate a different court, according to the norms of the Italian Civil Law.

11) The contract and resulting credit are not transferable; any alteration or additional agreement must be in writing, or else it shall be considered void, and applicable only to the matter for which is stipulated.

12) Unless established otherwise in writing, the Supplier undertakes not to publicize his commercial relation with the Buyer and to treat as confidential under all circumstances any technical, commercial or other information received in the fulfillment of this contract.

13) Should situations arise that may cause the Supplier to be unable to fulfill his part of the agreement, and in case of bankruptcy or foreclosure proceeding against the Supplier business, as well as in case of its liquidation or sale, the Buyer has the right to terminate the contract by simple written communication.

14) Ethical code

The Supplier:

- declares to know and accepts the Ethical Code and the Lines of Conduct (jointly referred to as the "Ethical Code") adopted by Pirelli, published at the following link: http://www.pirellityre.com/en_IT/browser/attachments/pdf/cod.etico_en.pdf and forming an integral part of these General Conditions;
- undertakes, in relation to the execution of the Contracts, to scrupulously comply with the provisions of the Ethical Code;
- undertakes to impose to all its subcontractors and sub-suppliers – if any, the obligation to comply with the Ethical Code and to regularly monitor the actual fulfilment of such obligation. The Supplier must notify Pirelli's "Organismo di Vigilanza" of any violations of the Ethical Code which it may become aware of. The notification must contain a description of the events constituting a violation of the Ethical Code, including information on the time and place of the events described, and all the people involved. Notification may not be anonymous, and the "Organismo di Vigilanza" guarantees that it will keep the identity of the people submitting notification confidential, unless legally required to do otherwise. Notification may be sent to the "Organismo di Vigilanza"'s e-mail address: odv.pneumatici@pirelli.com.

15) Policy: health, safety, environment and social responsibility

The Supplier:

- declares to Know and accepts the "Policy health, safety, environment and social responsibility" (hereinafter referred to as "CSR Pirelli Policy"), published at the following link http://www.pirellityre.com/en_IT/browser/attachments/pdf/PolicyHSE_CSR_en.pdf and forming an integral part of these General Conditions;
- undertakes, with respect to the performance of the Contracts, to exactly comply with the provisions of the CSR Pirelli Policy;
- undertakes to impose to all its subcontractors and sub-suppliers – if any, the obligation to comply with the CSR Pirelli Policy and to regularly monitor the actual fulfilment of such obligation;
- acknowledges that Pirelli has the right to verify, directly or through a third party, that the Supplier has fulfilled all its obligations under this paragraph;
- undertakes to take the necessary steps to comply with the provisions of the CSR Pirelli Policy, in the event that – further to the above mentioned verification – the Supplier turns out not to have complied with the provisions of the CSR Pirelli Policy.