

GENERAL CONDITIONS FOR THE PURCHASE OF GOODS AND SERVICES

1. GENERAL

1.1 Field of application

These General Conditions of Purchase (hereinafter the "**General Conditions**") shall apply to all supplies of goods and/or to the performance of services and/or works provided by your company (hereinafter the "**Supplier**") to Pirelli (as defined below) in fulfilment of contracts, in any way whatsoever entered into between our companies, such as, by way of example, by means of agreement with simultaneous execution (hereinafter the "**Contract/s**") or by means of confirmation – either explicit or implicit – of purchase orders (hereinafter the "**Order/s**").

The General Conditions may be integrated or modified by means of specific provisions provided for under the Orders or the Contracts, it being understood that notwithstanding these latter shall prevail upon the content of the General Conditions, their effectiveness shall be limited to such specific Order or Contract.

The Supplier waives, therefore, to the application of its own general and/or specific conditions of sale to be considered as not effective between the Parties.

1.2 Definitions

In the context of these General Conditions, the following terms shall have the meaning respectively attributed to each of them below:

- (1) "**Affiliate**" means any corporate entity directly or indirectly controlled by, controlling or subject to the common control of one of the Parties, being such control exercised through the direct or indirect ownership of 50% or more of the share capital or of the voting rights of such corporate entity;
- (2) "**Anti-Corruption Laws**" means any anticorruption law or similar legislation, codes, rules, policies and regulation applicable to any of the Parties and/or to the performance of their obligations under the Orders and Contracts;
- (3) "**Confidential Information**" means, collectively, (i) Technical Information, (ii) any other information, whether commercial or otherwise, other than Technical Information, concerning Pirelli, its materials, products, processes, services and activities, supplied and/or disclosed, in any form, by and/or on behalf of Pirelli to the Supplier and/or which the Supplier becomes aware of in connection with the performance of the Contracts and/or of the Orders, (iii) the Results and (iv) any note, study or other document prepared by the Supplier which contains or otherwise reflects Technical Information, the information mentioned in point (ii) and the Results;
- (4) "**Good/s**" means all materials, machineries, products or any movable asset supplied pursuant to Orders or Contracts;

- (5) "**Government Official**" means any appointed, elected, or honorary official or any career employee of the government of any national, regional or local government, or of a public international organization, or any political party, party official or candidate in any country (including any person holding an executive, legislative, judicial or administrative office, whether elected or appointed, or of any public international organization, such as the United Nations or World Bank, or any person acting in any official capacity for or on behalf of such government, public enterprise or state-owned business). The term "government" includes any agency, department, embassy or other government entity or public international organization. It also includes any company or other entity owned or controlled by the government;
- (6) "**Parties**" mean Pirelli and the Supplier;
- (7) "**Pirelli**" means Pirelli Tyre S.p.A., or its Affiliate/s better identified under the Order or Contract;
- (8) "**Results**" mean all the inventions, knowledge, data, information of any kind, method, specification, know-how, software, still or filmed images and photographs, solutions, deliverables conceived, reduced to practice or developed by the Supplier in the performance of Orders or Contracts;
- (9) "**Service/s**" means the activities and the services, including any intellectual activities, provided by the Supplier to Pirelli and/or the works whose implementation has been entrusted by Pirelli to the Supplier;
- (10) "**Technical Information**" means any kind of technical information, being not part of the public domain and including, by way of example, drawings, technical and/or functional specifications, tables, models, samples, prototypes, methods, measurement instruments, databases, software, films, digital video segments, and photographs supplied in any form by and/or on behalf of Pirelli to the Supplier and/or which the Supplier has become aware of for the production of the Good or for the provision of the Service;
- (11) "**Technical Specifications**" mean the drawings and the technical and/or functional specifications the Good or the Service shall comply with.

1.3 Acceptance of the Orders

Orders become binding and irrevocable for Pirelli as soon as order confirmation is received duly signed by the Supplier for acceptance. Pirelli is entitled to revoke the Order should the Supplier not return to Pirelli the order confirmation duly signed for acceptance of all the conditions therein provided within 15 (fifteen) days of the receipt of the Order. Pirelli is entitled to reject the supply up until the Supplier returns the order confirmation duly signed as specified above.

1.4 Non-assignability of Contracts and credits – Prohibition to grant the right to collect payments – Bank Account

Contracts, Orders and the credits deriving therefrom cannot be assigned by the Supplier; any amendment or integration to the Contracts or Orders not made in writing will be null and shall be limited to the specific case in relation to which it is agreed. The Contracts, the Orders and the credits deriving therefrom may, on the contrary, be assigned by Pirelli to its Affiliates.

Supplier shall not grant to any third party the authority to collect on its behalf payments due to Supplier according to this Agreement.

Supplier expressly acknowledges that all payments hereunder shall be made by PIRELLI to a bank account located in the same country where Supplier has its registered office.

1.5 Applicable law and jurisdiction

The Orders and the Contracts are regulated under any aspect by the law of the country where the registered office of the Pirelli's Affiliate which entered into the contractual relationship with the Supplier is located. Any disputes which may arise in relation to and/or as a result of the Services and/or the Contracts, their performance, efficacy, validity, interpretation, termination and cessation, as well as any relation referred to or connected with the Services and/or the Contracts and all related credits and debts, shall fall under the exclusive jurisdiction of the Court of the country where the registered office of the Pirelli's Affiliate which entered into the contractual relationship with the Supplier is located.

1.6 Information Security

The Supplier undertakes to adopt all security measures required to prevent the risk of alteration, loss, destruction, dissemination or unauthorised use of Confidential Information, as defined in clause 2. Pirelli will be entitled to notify the Supplier of security measures or conditions considered necessary, and the Supplier hereby agrees to adopt them. Pirelli shall have the right to verify, directly or through a third party, that the Supplier has correctly fulfilled all its obligations under this clause. In this regard, the Supplier grants Pirelli the right to access, directly or through a third party, its premises, in order to verify its compliance with the requirements of this clause.

1.7 Incident reporting

The Supplier hereby agrees to notify Pirelli's Security Direction immediately, or, if this is impossible, within a maximum of 24 (twenty-four) hours, of any incidents which may have caused, or risk to cause, theft, loss, alteration, forbidden or unauthorised access to Confidential Information.

Notification should be sent to the following numbers:

Phone: +39-02-6442.2069 o +39-02-6442.3772

Fax: +39-02-6442.2130

e-mail: security.dept@pirelli.com

1.8 Supplier's responsibilities

During the performance of the Services, the Supplier undertakes to scrupulously comply with all law provisions applicable to the Service provided and namely:

- to accept all its responsibilities in relation to the Services to be provided and to guarantee that it employs specialised personnel qualified to perform the Services;

- to use, in the performance of the Services, all technical and organisational measures and all equipment required or recommended by current safety legislation, for the purposes of ensuring safety and hygiene on the job for its technicians and workers, and for the purpose of guaranteeing the safety of people, plants and objects belonging to Pirelli and to third parties in compliance with current legislation;

- to maintain in effect, for the entire duration of the Order and/or the Contract, the insurance policies which the Supplier has provided a copy of to Pirelli and of those policies, if any, the Supplier entered into upon request by Pirelli;

- to provide notification of any change which may have occurred in relation to the information provided to Pirelli on the Supplier's ownership of its company, the relevant shares' ownership and organization;

- to guarantee that the personnel which will perform the Services (i) is and will be employed in compliance with any applicable retribution, contribution, tax, pension and insurance law provision as well as with any applicable law provision concerning employment relationships – *subordinato, parasubordinato o di collaborazione* - (laws, regulations and collective bargaining agreements), and (ii) shall be adequately qualified for the activity to be performed;

- to appoint a person as responsible for the relationship with Pirelli for the entire duration of the contractual relationship and whose name shall be communicated to Pirelli prior to the beginning of the performance of the Service.

When asked to provide a Service on the premises of Pirelli factories, laboratories, warehouses or offices, the Supplier agrees:

- to ensure that its employees comply with Pirelli's corporate regulations and safety procedures;

- to comply with all fire prevention rules and precautions;

- to accept all liability for accidents and damages of all kinds caused directly or indirectly by its employees and activities to Pirelli's employees and property, expressly relieving Pirelli of all liability and costs and protecting it from them.

Lifting and movement equipment and all equipment the Supplier requires to perform the Service must be supplied by the Supplier, who must guarantee that it is perfectly suitable for its intended use.

Such equipment must comply perfectly with regulations in effect for the entire duration of the work and/or of the Contract.

The Supplier may not use any vehicles or equipment belonging to Pirelli.

1.9 Prohibition of subcontracting

Unless otherwise agreed in writing by the Parties, the Supplier is not entitled to subcontract to third parties, neither as a whole nor in part only, the manufacture of Goods and/or the performance of the Services provided for under the Order and/or the Contract.

1.10 Force majeure

Failure to fulfil its obligations on the part of a Party impeded by circumstances which are objectively beyond that Party's control shall not constitute defaulting on the obligations undertaken in the Contracts and in the Orders. Events of force majeure shall include, by way of example, wars, fires, floods, general strikes, lock-outs, embargos, orders of public authorities. The Party which is in default due to a force majeure event shall give prompt notice to the other Party and shall adopt any reasonable measure to avoid its non-fulfilment and be able to fulfil all its contractual obligations.

1.11 Personal Data Notice (Art. 13 Legislative Decree n. 196 dated June 30 2003)

Pirelli, for the sole purpose of carrying out the contractual relationship of supply/purchase, uses certain personal data of the Supplier which, while not obligatory, is necessary for execution of the Contracts.

To this extent, the personal data of Supplier will be stored in the filing system of Pirelli Servizi Amministrazione e Tesoreria S.p.A. – Administration area., a Pirelli affiliate (the personal data processor).

Specifically, Supplier's personal data include (by way of example and not exhaustively): company name, address, V.A.T. number, tax code, etc.

Supplier's personal data shall be provided only to those who work in Pirelli company processes and who process them in fulfilment of specific legal obligations.

The Supplier may exercise at any time the rights specified under art. 7 of Legislative Decree 196/2003 (including, inter alia: the right to be informed at any time of the personal data in Pirelli's possession and how it is used, having it updated, corrected or deleted for legitimate reasons), by contacting the Purchasing Department of Pirelli Tyre S.p.A.-Viale Piero e Alberto Pirelli, 25 - 20126 Milano (fax: +39 02 6442 3217 e-mail: privacy.purchasingtyres@pirelli.com). This office also keeps an updated list of all the people in charge of the personal data processing. The main employees who will be in charge of the Supplier's personal data processing will be as to Pirelli the employees of the following Departments: Purchasing and Administration and Control, as to Pirelli Servizi Amministrazione e Tesoreria S.p.A. the employees managing the suppliers' administration.

1.12 Business Ethics and corporate responsibility

1. The Supplier hereby declares to have read and understood the "Values and Ethical Code", the "Code of Conduct" and the Pirelli Group policy "[Social Responsibility for Occupational Health, Safety and Rights, and Environment](#)", published on the web at http://www.pirelli.com/web/sustainability/sust_develop/policies/values/default.page, which establish the principles that guide the management of Pirelli's business, as well as contractual relations and other relations with third parties.

2. Given the above, and in relation to the execution of this agreement, the Supplier hereby undertakes:

- a) to manage its activities in compliance with:
- all principles, values and commitments as expressed in the documents mentioned above;
 - policies and similar commitments, if any, publicly taken by the company;
- and in particular undertakes:
- not to use or support the use of child labour and forced labour;
 - to ensure equal opportunities, freedom of association and promotion of the development of each individual;
 - to oppose the use of corporal punishment, mental or physical coercion or verbal abuse;
 - to comply with applicable laws and industry standards on working hours and to ensure that wages shall be sufficient to meet the basic needs of personnel;
 - to establish and maintain appropriate procedures to evaluate and select suppliers and subcontractors based on their commitments to social and environmental accountability;
 - not to tolerate corruption in any way, shape or form in any jurisdiction, even if such activities are allowed, tolerated or non-prosecutable;
 - to assess and reduce the environmental impact of its own products and services throughout their entire life cycle;
 - to use material resources responsibly, in order to achieve sustainable growth that respects the environment and the rights of future generations;

- to ensure that any subcontractors and suppliers comply with the same conduct established above, and to regularly oversee observance of said obligations.

3. The Supplier acknowledges that Pirelli has the right, at any time, to verify, either directly or through third parties, compliance by it with the obligations herein undertaken.

4. The Parties hereby agree that Pirelli may terminate the Contract and/or the Order in the event that the Supplier should be held responsible for any violation of the provisions of paragraph 2 above.

5. The Supplier has the obligation to report to ethics@pirelli.com any breach or suspected breach of the "Values and Ethical Code", the "Code of Conduct" and the Pirelli Group policy "[Social Responsibility for Occupational Health, Safety and](#)

Rights, and Environment"; reports must be not anonymous. Anyway, every anonymous report will be deepened. Said reports must contain a description of the facts that constitute the violation of the provisions contained in the above mentioned Pirelli documents, including information about time and place of occurrence of the relevant facts, as well as the persons involved. Pirelli and the Group Internal Audit protect employees and third party collaborators from any adverse consequences arising from such reporting, ensuring the confidentiality of the informants, subject to the requirements of the law.

1.13. Anti-Corruption

In connection with this Agreement and the performance of the obligations hereunder, Supplier represents, warrants and undertakes the following:

- (i) Supplier shall comply with the Anti-Corruption Laws;
- (ii) Supplier shall comply with Anti-Corruption Laws in obtaining all licenses, permits and approvals required by any competent governmental authority in connection with the Orders and Contracts;
- (iii) Supplier shall not take any action or permit, authorize or tolerate any action in violation of the Anti-Corruption Laws;
- (iv) Supplier shall not offer, pay or promise, directly or indirectly, money or anything of value, for the purpose of assisting Pirelli in obtaining or retaining business, directing business to Pirelli or to any person or entity in connection with the Orders and Contracts, securing any improper advantage in any way related to the Orders and Contracts, or influencing any official act or decision of any official, party, government, government agency or government-owned or controlled entity, to any of the following:
 - (a) Government Officials. A person does not cease to be a government official by purporting to act in a private capacity or by the fact that he or she serves without compensation; or
 - (b) Political parties or party officials; or
 - (c) Any person, while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly to any of the above-identified persons or organizations.
- (v) To Supplier's knowledge, Supplier, its controlling shareholder/s, its directors and key officers and its controlling shareholder/s' directors and key officers have not been convicted of, or plead guilty to, any offense involving fraud or corruption, with a non-appealable judicial decision;

- (vi) On the basis of the information currently available to Supplier, Supplier, its controlling shareholder/s, its directors and key officers, its controlling shareholder/s' directors and key officers have not been listed by any government or public agency, even supranational or any judicial authority as debarred, suspended, or proposed for suspension or debarment or otherwise ineligible for government procurement programs;
- (vii) Supplier has not offered to pay, nor has Supplier paid, nor will Supplier pay, any political contributions to any person or entity on behalf of Pirelli; and
- (viii) Supplier shall keep full, true, and accurate records and accounts, and records of its receipts and expenses having to do with the Orders and Contracts, including records of payments to third parties, supported by detailed invoices, in accordance with generally-accepted accounting principles in connection with the Orders and Contracts. Furthermore, Supplier shall make these records available for audit by or on behalf of Pirelli upon fifteen (15) days prior written notice, during regular business hours, at Supplier's principal place of business and shall provide Pirelli with reasonable assistance in order to review and secure copies of such information. Pirelli shall treat the information received during the audit period as "Confidential Information", in compliance with the provisions of clause 2.1 of the General Conditions.

Supplier shall cause any of its Affiliates or any of its or their directors, officers, advisors, representatives, employees or agents to comply with items (i) to (iv) of this clause 1.13.

Supplier acknowledges that, in case of any breach of this clause 1.13, Pirelli shall be entitled to immediately suspend performance of its obligations under the Orders and/or Contracts, without prejudice to its termination rights in compliance with clause 6.

Supplier will indemnify and hold harmless Pirelli and its representatives, from and against any loss, claim, cost or expense (including legal and attorneys' fees) incurred by Pirelli or its representatives based upon or arising out of any breach of this clause 1.13 and/or any violation by Supplier, any of its Affiliates or any of its or their directors, officers, advisors, representatives, employees or agents of any Anti-Corruption Laws.

2. INTELLECTUAL PROPERTY

2.1 Confidential Information

2.1.1 The Supplier acknowledges and agrees that Pirelli is the owner of Confidential Information and of any related intellectual property right.

2.1.2 The Supplier shall:

- (a) keep secret and not disclose Confidential Information to any third party;
- (b) put in place all measures and precautions that are reasonably necessary and appropriate to prevent the disclosure and unauthorized use of Confidential Information;
- (c) at the end of the Service, or even earlier upon request of Pirelli, promptly return all documents containing Confidential Information and destroy any copy thereof, whether hard copies or copies on any other support, subject to the Supplier's obligation, within 30 (thirty) days of Pirelli's request, to deliver a statement certifying the successful disposal of such documents and/or copies;
- (d) use Confidential Information solely for the purpose of performing the Contracts and/or the Orders;
- (e) not reproduce or copy Confidential Information except as expressly authorized by Pirelli;
- (f) not patent any information or data contained in such Confidential Information;
- (g) disclose Confidential Information within its own organization only to the employees whose duties imply the knowledge of such Confidential Information;
- (h) inform any employees within its own organization who become aware of Confidential Information, of the confidentiality obligations related thereto;
- (i) not develop for third parties and/or supply to third parties, for whatsoever reason, directly or indirectly, products made by using Confidential Information;
- (j) require any third party to whom the Supplier must communicate Confidential Information in the execution of the Contracts to comply with the obligations under this clause and shall ensure such compliance, subject to the Supplier's liability to Pirelli for any infringement by such third party of the obligations mentioned in this clause 2 with respect to such Confidential Information.

2.1.3 If the use of the Results implies the use of any patent, software and know-how or any other intellectual property right held by the Supplier ("Rights of the Supplier"), the Supplier hereby grants Pirelli a non-exclusive, royalty-free, irrevocable, perpetual and assignable licence (with sublicensing rights) to use the Rights of the Supplier for the sole purpose of Pirelli's use of the Results.

2.1.4 Neither these General Conditions nor the disclosure of Confidential Information as envisaged herein, may be interpreted as granting the Supplier any licences to patents, patent applications, or any other intellectual property rights with respect to information and data contained in Confidential Information.

2.1.5 Regardless of the term of the relevant contractual relationship, with reference to each piece of Confidential Information received, the Supplier's obligations under clause 2.1.2 will cease to be effective when all Confidential Information

enters the public domain through no fault of the Supplier.

2.2 Supplier's intellectual property rights

The Supplier warrants that the Goods supplied thereby, their components and accessories and (as far as applicable) the use of the Services provided (in both cases, even if subsequently processed by Pirelli or by third parties on behalf of Pirelli) do not infringe third party industrial or intellectual property rights. The Supplier undertakes to promptly settle any third party claim of infringement of industrial or intellectual property rights by reason of the possession or use, as the case may be, by Pirelli, of the Goods and/or the Services, and shall in any case indemnify Pirelli from and against such claims.

Except as otherwise agreed in writing, the Supplier waives the right to enforce any intellectual property rights in the Good or Service against Pirelli, its successors in any capacity and also within its business branch or part thereof, its customers and licensees (as well as their customers and licensees, even subsequent ones). Unless otherwise and expressly indicated to the Supplier prior to signature of the Contracts and/or the Orders, the Goods supplied must be considered freely exportable to the Country (identified in the Contract) where delivery is to take place.

3. RISK AND OWNERSHIP - DELIVERY AND ACCEPTANCE

3.1 Delivery

For the purposes of ascertaining compliance with the terms for delivery and transfer of the risk of damage or total or partial loss of the Goods from the Supplier to Pirelli, "Incoterms" regulations mentioned in the Contracts and/or in the Orders shall apply.

Envelope and transport of the Goods shall be performed in such a way to protect them against damages.

3.2 Ownership and acceptance

Ownership of the Goods shall be transferred to Pirelli as from the transfer of risk as set forth under the Incoterms 2010 for the specific agreed way of delivery. Ownership of the work resulting from the performance of the Service shall be transferred to Pirelli as from the acceptance by the latter.

In all the aforementioned circumstances and if applicable, the Good and/or the Service (or the work resulting from the performance of the Service) shall be considered as accepted by Pirelli only upon the positive outcome of the testing procedures agreed in writing between the Parties.

3.3 Place and time of delivery

The Supplier must comply punctually with the terms for delivery specified in the Contracts and/or in the Orders (which are to be considered

essential in Pirelli's interests), and shall not deliver the Goods earlier or later. Pirelli shall be entitled to return any Goods supplied before the agreed delivery date, at the Supplier's expense, or charging the cost of storage and financial costs of the advance delivery period to the Supplier.

3.4 Late delivery

In the event of late delivery of the Goods and/or late performance of the Services, Pirelli shall be entitled to apply a penalty for late delivery equal – unless otherwise specified in writing in the Order or in the Contract – to 0.5% of the complete week of delay up to a maximum of 5% of the price of the Service and/or the Good which has not been performed and/or delivered by the agreed deadline.

In addition to the penalty above indicated, Pirelli shall have the right to the compensation of all damages caused to it directly or indirectly, including, but not limited to, damages of loss of production due to the late delivery of the Goods or the late completion of the Services.

4. PRICES AND PAYMENTS

Unless otherwise agreed in writing, the prices indicated in the Contracts and in the Orders are to be considered fixed and not subject to revision.

Should the Contracts be referred to the performance of Services, payment of the invoices to be issued by the Supplier is conditional upon the latter's prior demonstration, through the transmission and acquisition of the corresponding documents in favour of Pirelli, of its full compliance with the law provisions concerning the wages to be paid to its employees under statutory, economic, contributory and social security terms.

In any case Supplier shall hold Pirelli harmless and indemnified from any damage, loss, cost or expense (including, if any, sanctions imposed on Pirelli in compliance with applicable law) incurred by Pirelli as a consequence of any breach and/or non-fulfilment by Supplier of any of the provisions of this clause.

In all cases of non-fulfilment by the Supplier, Pirelli shall be entitled to suspend the payments due to the Supplier, without prejudice to the application of any interests or penalties, as long as the Supplier has not remedied its non-fulfilment.

5. WITHDRAWAL

Pirelli shall have the right to withdraw from all Contracts and/or Orders concerning the performance of Services simply by sending a 30-day prior written notice. Nothing shall be due from Pirelli to the Supplier as a consequence of an exercise of such right of withdrawal, except for the right of the Supplier to demand payment for the work carried out in a satisfactory manner up to that date.

6. TERMINATION

6.1 In the event of any breach by the Supplier of its obligations under the Contracts and/or the Orders, Pirelli shall have the right, without prejudice to any additional remedies specified in the Contracts and/or in the Orders for specific cases, to send the Supplier a written order of fulfilment within 15 (fifteen) days, with the declaration that, if there has not been fulfilment by the end of such time period, then the contractual relationship shall be deemed terminated.

6.2 In addition to the provisions of clause 6.1, Pirelli shall be entitled to terminate the Contracts at any time by sending the Supplier a written notification effective as of a date identified by Pirelli in its notification, in the event that the Supplier:

- (a) enters into liquidation or is subject to any bankruptcy procedure;
- (b) is subject to expropriation, sequestration, distress, execution or protests or any comparable rights under the applicable laws of any jurisdiction;
- (c) breaches any of its confidentiality and limitation of use obligations stated in clauses 1.6 and 2;
- (d) becomes associated with or becomes subject to any form of control, even indirect, of any competitor of Pirelli;
- (e) breaches the prohibition of subcontracting stated in clause 1.9;
- (f) breaches any of the obligations identified in clause 1.4 (non-transferability, prohibition to grant the right to collect payments, bank account);
- (g) breaches any of the provisions of clause 1.12, paragraph 2 (Business Ethics and corporate responsibility);
- (h) breaches any of the provisions of clause 1.13 (Anti-Corruption);
- (i) breaches any of its legal obligations in respect of the wages to be paid to its employees under statutory, economic, contributory and social security terms, or does not provide Pirelli with the relevant documentation pursuant to clause 4 above;
- (j) breaches its contractual obligations due to a force majeure event lasting for a continuous time period longer than 15 (fifteen) working days.

6.3 Pirelli shall be entitled to terminate each Order and/or Contract by means of a 30-day prior written notice to the Supplier should Pirelli's performance of a Contract and/or an Order become significantly too expensive due to an unforeseeable event.

6.4 The termination of the Contracts under the provisions of this clause and in all other cases shall be without prejudice to Supplier's obligations as stated in clause 2 (confidentiality), which shall survive any such terminations.

7. GUARANTEE AND QUALITY

7.1 Duration

Unless otherwise stated in the Orders and/or in the Contracts, the Supplier guarantees the suitability for use of the Goods supplied for a minimum of 24 (twenty-four) months from the date of delivery.

7.2 Quantity

If the quantities of Goods delivered do not correspond to the agreed quantities under the Contracts and/or the Orders, Pirelli may, at its own discretion, decide to:

- (a) accept the quantities effectively delivered and change the quantities of subsequent supplies accordingly;
- (b) ask the Supplier to pick up quantities in excess of the ordered quantities, and have the option of sending them back itself at the Supplier's expense and charging the Supplier the financial costs of payment, if already made, and storage costs if the Supplier does not pick up the Goods immediately;
- (c) have the Supplier immediately send the missing quantities of Goods, charging the Supplier for the costs and expenses resulting from defaulting.

Pirelli may exercise the options listed above within 3 (three) months of the date of delivery of the Goods.

7.3 Quality

The Supplier guarantees that the Goods supplied and the Services performed will be free of defects and in compliance with the Technical Specifications. Goods and Services to be supplied or performed shall be considered as defective in case:

- (a) they do not comply with what has been agreed under the Orders and/or Contracts; or
- (b) they do not reflect the characteristics of the samples and prototypes delivered by the Supplier;
- (c) they are not suitable for the use for which Pirelli intended to use them.

Pirelli will be entitled to conduct inspections on the Supplier's premises both for inspection of the Goods and/or Services and for acceptance of the Goods and/or Services, if required, and to check the quality system implemented in the Supplier's

organisation. The methods and extent of the inspection shall be agreed on with the Supplier in each specific case.

Without prejudice to any right of Pirelli pursuant to the Orders and/or the Contracts, as well as to any applicable law provision, the Supplier must, upon request of Pirelli and within a reasonable term set by Pirelli itself, repair or replace the defective Goods and/or perform the Services in compliance with the Order and/or the Contract. Should the Supplier not comply with the above, Pirelli will be entitled, alternatively and at its discretion, to (i) terminate the Contract or the Order in compliance with previous clause 6, (ii) obtain a congruous reduction of the price of the defective Goods or Services, or (iii) if only part of the Goods or the Services is defective, request to a third party supplier – of its choice but at the expenses of the Supplier – to provide the defective Goods or Services.

Should, in accordance with all the applicable law provisions, Pirelli decide to carry out a campaign of recall or replacement of its own products due to defects of the Goods provided by the Supplier, the latter shall hold Pirelli indemnified from any action, right or claim of third parties including any cost, expense and charge necessary for the campaign of recall or replacement (including any logistic or assembling and disassembling costs).

Supplier shall hold Pirelli indemnified from any damages, actions, right or claim of third parties in any case deriving from the use of the Goods provided by the Supplier.

7.4 Insurance

The Supplier shall enter into at its own expenses an insurance policy (with a primary standing insurer and with thresholds and limits in line with ordinary market conditions) covering its responsibility for damages to third parties for any reason, including by way of producer's responsibility, deriving from the performance of the Orders and/or the Contracts. The Supplier shall deliver to Pirelli copy of such insurance policy.

7.5 Certification of the Supplier

Unless otherwise stated in the Contracts and/or in the Orders, the Supplier must demonstrate to Pirelli its conformity with ISO 9001 certification through an accredited agency.

ORDER CONFIRMATION

With reference to your Order mentioned above, we accept the terms and conditions contained therein.

We also accept, without any reservations whatsoever, the General Conditions for the Purchase of Goods and Services of PIRELLI attached to it.

Supplier's stamp and signature

We specifically approve, pursuant to articles 1341 and 1342 of the Italian Civil Code and for the purposes thereof:

- 1.1 Field of application
- 1.3 Acceptance of the Orders
- 1.4 Non-transferability of Contracts and credits
- 1.5 Applicable law and jurisdiction
- 1.6 Information security
- 1.8 Supplier's responsibilities
- 1.9 Prohibition of subcontracting
- 1.12 Business Ethics and corporate responsibility
- 1.13 Anti-Corruption
- 2 Intellectual Property
- 3 Risk and title – delivery and acceptance
- 4 Price and payment
- 5. Withdrawal
- 6. Termination
- 7.1 Duration of the guarantee
- 7.2 Quantity
- 7.3 Quality
- 7.4 Insurance

Supplier's stamp and signature

With reference to the provisions introduced by Presidential Decree 472/96 (suppression of BABV), please note that we will not accept, for any reason, any deliveries of goods without shipping documents and/or invoices containing at least the following information:

- reference to Pirelli order number
- description and quantity of the goods delivered
- reason for the delivery

If the shipment is accompanied solely by an invoice, note that the Supplier must send said invoice to the invoicing address of the Administration and Control Direction as specified above.