GENERAL CONDITIONS FOR THE PURCHASE OF GOODS AND SERVICES

1. GENERAL

1.1 Scope

These General Conditions of Purchase (hereinafter the "General Conditions") shall apply to all supplies of Good/s (as defined below) and/or performance of Services (as defined below) provided by your company (hereinafter the "Supplier") to Pirelli (as defined below) in fulfilment of contracts, in any way whatsoever entered into between your company and Pirelli, such as, by way of example, by means of an agreement duly executed by both Parties (as defined below) (hereinafter the "Contract/s") or by means of confirmation – either express or implicit – of purchase orders (hereinafter the "Order/s").

The General Conditions may be integrated or modified by means of specific provisions set forth under the Order/s or the Contract/s, it being understood that although such Order/s or Contract/s shall prevail upon the content of the General Conditions, the effectiveness abovementioned integration or modification 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 which shall be consequently deemed as not effective between the Parties.

1.2 Definitions and Interpretation

1.2.1 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, with respect to a person or legal entity, directly or indirectly Controlled by, Controlling or subject to the common Control with such person or legal entity;

(2) "Anti-Corruption Laws" means any anticorruption law, including regulations, administrative acts, policies and procedures issued by any competent authority, applicable to the Supplier and/or to Pirelli and/or to the performance of their obligations under the Order/s and Contract/s;

(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 Contract/s and/or of the Order/s, (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) "Conflict Minerals" means minerals mined, refined or traded in conditions of armed conflict and human rights abuses, notably in, but not limited in, the Democratic Republic of the Congo and in other countries of the same region in Africa, as well as in any Conflict-Affected and High Risk Areas (CHARAs as defined in the OECD "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas). 3TG Minerals, Cobalt and Natural Mica are considered Conflict Minerals, regardless of where they are mined, processed or sold;

(5) "3TG Minerals" means Tin, Tantalum, Tungsten, Gold and their derivatives;

(6) "Control" shall mean (i) in the case of a corporation, the ownership of more than 50% of the shares of such corporation with voting rights or, in the case of any other entity, the ownership of the majority of the beneficial or voting interest of such entity or (ii) the power of one person or legal entity alone, or jointly with one or more other persons or entities, directly or indirectly, to direct the management of the controlled person or entity, either by means of equity ownership, by contract or otherwise. "Controlling" and "Controlled" shall have similar meaning;

(7) "Corporate Criminal Liability Laws" means any corporate criminal liability law, including regulations, administrative acts, policies and procedures issued by any competent authority, applicable to the Supplier and/or to Pirelli and/or to the performance of their obligations under the Order/s and Contract/s;

(8) "Good/s" means all materials, machineries, products or any movable asset supplied pursuant to Order/s or Contract/s;

(9) "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); being understood that for the purposes hereof, the term "government" includes any agency, department, embassy or other governmental entity or public international organization, as well as any company or other entity owned or Controlled by a government;

(10) "Parties" mean Pirelli and the Supplier;

(11) "Pirelli" means Pirelli & C. S.p.A., or its Affiliate/s which entered into the contractual relationships with the Supplier under the Order/s or the Contract/s;

(12) "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 Order/s or Contract/s;

(13) "Security Incident" means any event or series of events regarding security which compromises or may compromise any Pirelli assets and/or technological environment and/or any Goods or Services supplied, at various severity levels, in terms of confidentiality, integrity, and/or availability on Confidential Information;

(14) "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 required by Pirelli to the Supplier;

(15) "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/s or for the provision of the Service/s;

(16) "Technical Specifications" mean the drawings and the technical and/or functional specifications the Good/s or the Service/s shall comply with.

1.2.2 Interpretation

The headings are inserted in these General Conditions for convenience only and shall not affect the interpretation and construction of these General Conditions.

The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement to the specific or similar items or matters immediately following it.

Any reference to a statute or statutory provision (including those under applicable laws, regulations, directives, treaties), is a reference to it as amended, extended or re-enacted from time to time.

1.3 Acceptance of the Orders

Order/s become binding and irrevocable for Pirelli as soon as it receives the relevant order confirmation duly signed by the Supplier for acceptance. Pirelli is entitled to revoke the Order/s should the Supplier not return to Pirelli the order confirmation duly signed for acceptance of all the conditions therein within 15 (fifteen) days of the receipt of the Order/s. Pirelli is entitled to reject the supply until the Supplier returns the order confirmation duly signed as specified above.
In accepting the Order, the Supplier agrees to supply the Good/s and/or perform the Service/s in accordance with the Technical Information referred to in the Contracts.
Before beginning the performance of the Service/s, the Supplier must identify all needs for variations with respect to the prescriptions contained in the Technical Information. In this case the performance of the Service/s shall not begin until Pirelli has sent its written authorization.

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

Contract/s, Order/s and the credits deriving therefrom cannot be assigned by the Supplier; any amendment or integration to the Contract/s or Order/s not made in writing will be null and void and shall be limited to the specific case in relation to which it is agreed. On the contrary, the Contract/s, the Order/s and the credits deriving therefrom may be freely assigned by Pirelli to any of 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 Order/s and the Contract/s are regulated under any aspect by the law of the country where the registered office of the Pirelli entity which entered into the contractual relationships with the Supplier is located. Any disputes which may arise in relation to and/or as a result of the Service/s and/or the Contract/s, their performance, effectiveness, validity, interpretation, termination and expiration, as well as any relation referred to or connected with the Service/s and/or the Contract/s and all related credits and debts, shall fall under the exclusive jurisdiction of the Court of the place where the registered office of the Pirelli which entered into the contractual relationships with the Supplier is located.

1.6 Information Security

The Supplier shall adopt any appropriate organizational and technical security measures, based on the current standards of the sector, to safeguard Confidential Information and the Goods and Services supplied to Pirelli. 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 at any time, 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 unrestricted 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

In case the Supplier identifies, or reasonably suspects that a Security Incident has occurred, Supplier shall inform Pirelli promptly, and in any event no later than twenty-four (24) hours following such discovery.

The Supplier shall cooperate with Pirelli in any Security Incident investigation. If Pirelli notifies Supplier an IT vulnerability or a Security Incident that is identified by Pirelli or on Pirelli's behalf, Supplier shall, without undue delay, remove the vulnerability and/or remedy the Security Incident, as applicable.

Any communication on the above shall be notified to the following email: CSDC@pirelli.com.

1.8 Supplier's responsibilities

During the performance of the Service/s, the Supplier undertakes to strictly comply with all provisions of law and regulation applicable to the Service/s provided and in particular:
- to accept all its responsibilities in relation to the Service/s to be provided and to guarantee that it employs specialised personnel qualified to perform the Service/s;
- to use, in the performance of the Service/s, 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 work place 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/s and/or the Contract/s, the insurance policies a copy of which has been provided to Pirelli in advance by the Supplier and those policies the Supplier entered into upon request by Pirelli, if any;
- to provide notification of any change which may have occurred in relation to the information previously provided by the Supplier 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 Service/s (i) is and will be employed in compliance with any applicable remuneration, contribution, tax, pension and insurance law and regulation as well as with any applicable law concerning employment relationships (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 in writing prior to the beginning of the performance of the Service/s.
When asked to provide a Service/s 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;
- comply with all applicable fire prevention rules and precautions;
- accept all liabilities for accidents and damages of whatever nature caused directly or indirectly by its employees and activities to Pirelli's employees and property, expressly relieving Pirelli from all liabilities and costs and indemnifying and holding it harmless from any and all third party claims deriving or arising therefrom.
Lifting and movement equipment and all equipment the Supplier requires to perform the Service/s shall be rendered available at its own costs by the Supplier, who shall guarantee to Pirelli that it is perfectly suitable for its intended use.
Such equipment must strictly comply with any and all laws and regulation in effect for the entire duration of the activities and/or of the Order/s and/or of the Contract/s.
The Supplier shall not use any vehicles or equipment belonging to Pirelli.

1.9 Prohibition of subcontracting

Unless Pirelli's prior written authorization, the Supplier is not entitled to subcontract to third parties, neither as a whole nor in part only, the manufacture and/or supply of Good/s and/or the performance of the Service/s provided for under the Order/s and/or the Contract/s.
In case subcontracting is authorized by Pirelli, the Supplier shall cause (also granting the fulfillment) the sub-contractor to fulfill any and all obligations and/or undertakings set forth under these General Conditions.

1.10 Force majeure

Failure to fulfil its obligations by a Party impeded by circumstances which are objectively beyond that Party's control shall not constitute a contractual breach of the obligations undertaken under the Contract/s and/or the Order/s. Events of force majeure shall include, by way of example, wars, fires, floods, general strikes, lock-outs, embargoes, orders of public authorities not deriving directly or indirectly from a breach by the Supplier of its obligations. The Party which is impeded to fulfil its obligations due to a force majeure event shall give prompt written notice thereof to the other Party and shall adopt any reasonable measure to remove such impediment to be able to fulfil all its contractual obligations.

1.11 Information on the processing of personal data (Article 13 EU Regulation 2016/679 - General Data Protection Regulation -"GDPR")

Pirelli, for the sole purpose of managing (the) contractual supply/purchase relationship(s), processes personal data concerning the Supplier (in the case of an individual company, entrepreneur or professional) and its representatives, contact persons, employees and collaborators, the knowledge of which, although not mandatory, is necessary to establish and execute the contractual relationship(s), for the fulfilment of the related regulatory obligations and for the possible exercise of defensive rights. The provision of personal data is therefore necessary for these contractual activities which, without the data, would not be possible to begin and carry out correctly.

Said personal data is kept on paper and information archives managed by companies within the Pirelli group for the duration of the contractual relationship(s) and for the time required by law for administrative and accounting purposes, without prejudice to the need for storage for further periods for the purposes of ensuring legal defence. This data will be known by authorised Pirelli personnel and transmitted only to those involved in the Pirelli business process who process them in compliance with specific legal obligations, as well as to companies that, acting as data processors, perform technical and organisational support activities and to companies that, acting as autonomous data controllers, carry out evaluation support activities in the Environmental, Social and Governance field, upon Pirelli's request.

Each data subject may exercise the rights provided for by Article 15 et seq of the GDPR (such as: knowing which personal data of theirs is held at any time and how it is used, updating, correcting, cancelling, requesting its blockage or opposing their processing for legitimate reasons, exercising the right to data portability) by writing to the e-mail address privacy.europe@pirelli.com or at the company's registered office. In the event the data subject believes that his/her rights have been breached pursuant to data protection laws, the data subject can also submit a complaint to the Data Protection Authority competent in his/her country.

The Supplier warrants to Pirelli that its representatives, contact persons, employees and collaborators have received appropriate information on the processing of their personal data for the purposes connected with the performance of the activities subject of the contractual relationship and that their personal data are lawfully usable by Pirelli for these purposes, in the terms indicated above.

1.12 Pirelli Suppliers' Code of Conduct

1. The Supplier hereby declares to have read and understood the Code of Conduct of Pirelli Suppliers, published on the web at Supplier_CoC_EN.pdf establish the principles that conduct the management of Pirelli group's business, as well as contractual relations and other relations with third parties.
2. In light of the above, and in relation to the execution of the Order/s and/or Contract/s, the Supplier hereby undertakes to manage its activities in compliance with the Pirelli Suppliers' Code of Conduct.
3. Pirelli has the right to verify, throughout the duration of the Contract/s and/or the Order/s, either directly or through third parties, the respect by Supplier of the Pirelli Suppliers' Code of Conduct, with confidentiality and with reasonable notice.
4. In the event that the Supplier breaches any of the obligations of the Pirelli Suppliers' Code of Conduct, or refuses to implement an action plan requested by Pirelli or does not implement an action plan agreed with Pirelli with regard to the Pirelli Suppliers' Code of Conduct, Pirelli may suspend with immediate effect the execution of the Contract/s and/or the Order/s, without prejudice for the right to terminate the Contract/s and/or the Order/s as per clause 6.2 and exercise any remedies available at law.
5. The Supplier may report to https://pirelli.integrityline.com/ any breach or suspected breach of the Pirelli Suppliers' Code of Conduct and/or any applicable laws; reports may be anonymous but shall contain a description of the events that constitute the breach of the provisions contained in the Pirelli Suppliers' Code of Conduct, including information about time and place of occurrence of the relevant events, as well as the persons involved. Pirelli will not tolerate threats or reprisals of any kind against employees and third party collaborators arising from such reporting and shall adopt all appropriate actions against any persons engaging in any such acts of threat or reprisal. Furthermore, Pirelli shall ensure the anonymity of those reporting the breaches, subject to the requirements of applicable law.

1.13. Anti-Corruption

In connection with the Order/s and/or Contract/s and the performance of the obligations thereunder, Supplier represents, warrants and undertakes the following:

(i) Supplier shall comply with the applicable 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 Order/s and/or Contract/s;

(iii) Supplier shall not take any action or permit, authorize or tolerate any action in breach 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 Order/s and/or Contract/s, securing any improper advantage in any way related to the Order/s and/or Contract/s, 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 Order/s and/or Contract/s, including records of payments to third parties, supported by detailed invoices, in accordance with generally-accepted accounting principles in connection with the Order/s and/or Contract/s. 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 Order/s and/or Contract/s, 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.

1.14 Code of Ethics and Corporate Criminal Liability Laws

1. The Supplier undertakes to:

(i) comply with the principles of Pirelli's Code of Ethics, available and accessible at https://corporate.pirelli.com/corporate/en-ww/governance/principles/gov-ethical-code, that the Supplier declares to have read an understood; and

(ii) comply with the Corporate Criminal Liability Laws; and

(iii) cause any of its directors, auditors, employees, representatives, and any third party it may use in the execution of the Order/s and/or Contract/s ("**Associated Persons**") to comply with all the provisions under points (i) and (ii) above.

2. In case of any breach by the Supplier of the obligations under point 1. of this clause 1.14, and/or in case of the involvement of the Supplier and/or the Associated Persons in proceedings concerning the violation of the principles of the Code of Ethics and/or the Corporate Criminal Liability Laws, Pirelli shall be entitled to immediately suspend performance of its obligations under the Order/s and/or Contract/s, without prejudice to its termination rights in compliance with clause 6.

3. The Supplier will indemnify and hold harmless Pirelli and its representatives, from and against any loss, claim, cost or expense (including legal fees) incurred by Pirelli or its representatives based upon or arising out of any breach of this clause 1.14.

4. The Supplier may report to https://pirelli.integrityline.com/ any breach of the principles of the Pirelli Code of Ethics and/or the Corporate Criminal Liability Laws that could have a negative impact on Pirelli.

1.15. Conflict Minerals

[Applicable in case of supply of Goods which are totally or in part applied to articles sold by Pirelli and Services which modify permanently at least a part of the articles sold by Pirelli]

Supplier represents and warrants that the Goods and Services supplied or to be supplied to Pirelli under the Contract/s and/or the Order/s will do not contain and will not contain throughout the duration of the supply any Conflict Minerals.

Supplier undertakes:
(i) to provide Pirelli with an exhaustive description of the processes and tools which have been implemented in order to ensure that the Goods and Services and the parties involved in the supply of any components of the Goods and Services do not contain any Conflict Minerals;
(ii) to maintain an active due diligence program to identify and trace all Conflict Minerals in its supply chain, based on the procedures and tools by the Organization for Economic Cooperation and Development (OECD) and by the Responsible Minerals Initiative (RMI);
(iii) to source 3TG Minerals, Cobalt and Natural Mica from smelters that are classified "RMAP Conformant" ("Conformant" as described at Responsible Minerals Initiative.
(iv) to fill in for each kind of Goods and Services supplied under the Contract or the Orders, the latest version of the "Conflict Minerals Reporting Template" and the "Extended Minerals Reporting Template" downloadable at Responsible Minerals Initiative and send them by e-mail to conflictminerals@pirelli.com;
(v) to send the documents described in point (iv) yearly updated (always) and in case of any changes to composition and/or parts/components and/or manufacturing process of Goods and Services and/or in case of any changes to the smelter list and/or "Conformant" status described in point (iii).

In the event that the Supplier breaches any of the provisions of this clause 1.15, Pirelli may suspend with immediate effect the execution of the Contract(s) and/or the Order(/s), without prejudice for the right to terminate the Contract(s) and/or the Orders(s) as per clause 6.2 and exercise any remedies available at law.

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 any other Pirelli data and destroy and/or delete any copy thereof, whether hard copies or copies on any other support (including any IT support), subject to the Supplier's obligation, within 30 (thirty) days from Pirelli's request, to deliver a statement certifying the successful disposal and/or cancellation of such documents and/or copies, unless the applicable law mandatorily requires to keep them;
(d) use Confidential Information solely for the purpose of performing the Contract/s and/or the Order/s;
(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 Good/s supplied thereby, their components and accessories and (as far as applicable) the use of the Service/s 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 Good/s and/or the Service/s, 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/s and/or Service/s 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 Contract/s and/or the Order/s, the Good/s supplied must be considered freely exportable to the Country (identified in the Contract/s) 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 Good/s from the Supplier to Pirelli, "Incoterms" regulations mentioned in the Contract/s and/or in the Order/s shall apply.

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

3.2 Ownership and acceptance

Ownership of the Good/s shall be transferred to Pirelli as from the occurrence of risk transfer in accordance with the Incoterms 2020, in consideration of the specific delivery terms agreed. Ownership of the work resulting from the performance of the Service/s shall be transferred to Pirelli as from the relevant acceptance by the latter.

In all the aforementioned circumstances as applicable, the Good/s and/or the Service/s (or the work resulting from the performance of the Service/s) 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 shall strictly comply with the terms for delivery specified in the Contract/s and/or in the Order/s (which shall be considered essential for Pirelli), and shall not deliver the Good/s earlier or later. Pirelli shall be entitled to return any Good/s supplied before the agreed delivery date, at the Supplier's expense, or to charge the costs of storage and any financial costs of the advance delivery period to the Supplier.

3.4 Late delivery

In the event of late delivery of the Good/s and/or late performance of the Service/s, Pirelli shall be entitled to apply a penalty for late delivery equal – unless otherwise specified in writing in the Order/s or in the Contract/s – to 0.5% per each entire week of delay, up to a maximum of 5% of the overall price of the Service/s and/or the Good/s which have not been performed and/or delivered by the agreed deadline.
In addition to the penalty indicated above, Pirelli shall have the right to receive full compensation of all damages caused to it directly or indirectly, including, but not limited to, damages for business interruption or loss of production due to the late delivery of the Good/s or the late completion of the performance of the Service/s.

4. PRICES AND PAYMENTS

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

Should the Contracts concern the performance of Service/s, the payment of the invoices issued by the Supplier is conditional upon the latter's prior demonstration, through the receipt by Pirelli of the corresponding documents, of its full compliance with the applicable law requirements concerning the wages to be paid to its employees under statutory, economic, contributory and social security terms.

LEGAL ENTITIES

Pirelli and/or its relevant Affiliate shall make all payments due to the Supplier and/or its relevant Affiliate without deduction of tax, unless a deduction is required by law. If the application of a withholding tax on the payments is required by law, the Supplier and/or its relevant Affiliate will cooperate with Pirelli and/or its relevant Affiliate to obtain any possible reductions or exemptions from withholding taxes allowed by law. In order to apply any exemption or reduced rate allowed by law or the provisions of the tax treaty between Italy or the country of tax residency of the relevant Pirelli Affiliate and the country of tax residency of the Supplier or the relevant Supplier Affiliate for the avoidance of double taxation currently in force (the "Tax Treaty"), the Supplier and/or its relevant Affiliate shall deliver to Pirelli and/or its relevant Affiliate all the necessary documentation and/or information that is required and that will be required from time to time by the applicable law.

The Supplier and/or its relevant Affiliate shall provide the abovementioned documents at the beginning of each calendar year and in any case before the first payment of each calendar year. In case the Supplier and/or its relevant Affiliate does not timely deliver to Pirelli and/or its relevant Affiliate the necessary documentation and/or information required by the applicable law to benefit from a reduction or exemption from withholding tax, Pirelli and/or its relevant Affiliate will not apply any reduction or exemption from withholding tax.

The Supplier and/or its relevant Affiliate undertakes to promptly inform Pirelli and/or its relevant Affiliate should its tax status (country of tax residence or execution of any activity through a permanent establishment in the country of tax residence of Pirelli and/or its relevant Affiliate) change in the same tax year and, in such event, to promptly provide Pirelli and/or its relevant Affiliate with the updated necessary documentation and/or information required by the applicable law.

All documents and notifications shall be sent to the e-mail address: taxmonitoring@pirelli.com.

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

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

NATURAL PERSONS

If the Supplier and/or its relevant Affiliate who is required to perform the Services is a natural person, the relevant payments will be subject to the delivery to Pirelli and/or its relevant Affiliate of the documentation attesting its tax residence, similar to what is required of Suppliers who are legal entities. Should the Supplier and/or its relevant Affiliate fail to deliver to Pirelli and/or its relevant Affiliate the documentation regarding its tax residence, a withholding tax may be applied to the consideration due, in accordance with applicable tax law.

5. WITHDRAWAL

Pirelli shall have the right to early terminate any and all Contract/s and/or Order/s concerning the performance of Services by sending a 30-day prior written notice. Nothing shall be due by Pirelli to the Supplier as a consequence of the exercise of such right of terminatation, except for the right of the Supplier to demand payment for the activities 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 Contract/s and/or the Order/s, Pirelli shall have the right, without prejudice to any additional remedies specified in the Contract/s and/or in the Order/s for specific cases and any other remedy it may avail under applicable law, to send the Supplier a default notice, with the declaration that, if there has not been fulfilment within 15 (fifteen) days, 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 Contract/s and/or the Order/s at any time upon written notice to the Supplier, which termination shall be effective as of the date set by Pirelli in such 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 measure 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 an Affiliate 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-assignability, prohibition to grant the right to collect payments, bank account);

(g) breaches any of the provisions of clause 1.12, paragraph 2 (Pirelli Suppliers' Code of Conduct);

(h) breaches any of the provisions of clause 1.13 (Anti-Corruption);

(i) breaches any of the provisions of clause 1.14 (Code of Ethics and Corporate Criminal Liability Laws);

(j) breaches any of the provisions of clause 1.15 (Conflict Minerals);

(k) 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; or

(l) 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 the relevant Order/s and/or Contract/s by means of a 30-day prior written notice to the Supplier should Pirelli's performance of the relevant Contract/s and/or Order/s become significantly too expensive due to an unforeseeable event.

6.4 The termination of the Contract/s and/or Order/s 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 Order/s and/or in the Contract/s and without prejudice to any mandatory guarantee under applicable laws, the Supplier guarantees the suitability for use of the Good/s supplied for a minimum of 24 (twenty-four) months from the date of delivery.

7.2 Quantity

If the quantities of Good/s delivered do not correspond to the agreed quantities under the Contract/s and/or the Order/s, Pirelli may, at its own discretion, opt to:

(a) accept the quantities delivered and then change the quantities of subsequent supplies accordingly; or

(b) require the Supplier to collect the quantities in excess of the ordered quantities, or, if Pirelli deems it appropriate, make restitution of all or part of the aforesaid quantities, at the Supplier's expense; Pirelli shall be entitled to: (i) charge the Supplier the costs for such restitution and storage costs if the Supplier does not collect the Good/s immediately, and (ii) reimbursement of payment of such quantities, if already made;

(c) have the Supplier immediately sending the missing quantities of Good/s, charging the Supplier the costs and expenses resulting from Supplier default.

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

7.3 Quality

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

(a) they do not comply with what has been agreed under the Order/s and/or Contract/s; 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 at the Supplier's premises both for inspection of the Good/s and/or Service/s and for acceptance of the Good/s and/or Service/s, if required, and to check the quality system implemented in the Supplier's organization. The methods and the 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 Order/s and/or the Contract/s, as well as to any applicable laws, the Supplier shall, upon request of Pirelli and within a reasonable term set by Pirelli itself, repair or replace the defective Good/s and/or perform the Service/s in compliance with the relevant Order/s and/or Contract/s. Should the Supplier not comply with the above, Pirelli will be entitled, alternatively and at its sole discretion, to (i) terminate the relevant Contract/s and/or Order/s in compliance with previous clause 6, (ii) obtain a congruous reduction of the price of the defective Good/s or Service/s, or (iii) if only part of the Good/s or Service/s is defective, request to a third party supplier of its choice to provide the defective Good/s or Service/s at the expenses of the Supplier –.

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 Good/s 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 dissembling costs).

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 execution of the activities under the Order/s and/or the Contract/s. The Supplier shall deliver to Pirelli copy of such insurance policy.

7.5 General indemnification

Supplier shall 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 by the Supplier in relation with supply and/or use of the Good/s and/or the performance of the Service/s.

7.6 Certification of the Supplier

Unless otherwise stated in the Contract/s and/or in the Order/s, the Supplier shall demonstrate to Pirelli its conformity with ISO 9001 certification and/or any other certification reasonably requested by Pirelli 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 Good/s and Service/s of Pirelli attached to it.

Supplier's stamp and signature

We specifically approve:
1.1 Scope
1.3 Acceptance of the Orders
1.4 Non-assignability of Contracts and credits – Prohibition to grant the right to collect payments –Bank Account
1.5 Applicable law and jurisdiction
1.6 Information security
1.8 Supplier's responsibilities
1.9 Prohibition of subcontracting
1.12 Pirelli Suppliers' Code of Conduct
1.13 Anti-Corruption
1.14 Code of Ethics and Corporate Criminal Liability Laws
1.15 Conflict Minerals [if applicable]
2 Intellectual Property
3 Risk and Ownership – Delivery and Acceptance
4 Prices and payments
5. Withdrawal
6. Termination
7.1 Duration (of the guarantee)
7.2 Quantity
7.3 Quality
7.4 Insurance
7.5 General indemnification

Supplier's stamp and signature

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.