GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF PRODUCTS AND SERVICES
- PIRELLI TYRE NORDIC AB

1. General

These general terms and conditions for the purchase of products and services ("**Terms/Conditions**") apply to all deliveries of Products (as defined below) and/or the performance of Services (as defined below) provided by a supplier ("**Supplier"**) to Pirelli (as defined below). The terms and conditions are intended to fulfill the Supplier's and Pirelli's rights and obligations when purchasing Products and Services, which also includes purchase orders ("**Orders/Orders**"). The terms are thus part of the main agreement together with the related appendices ("**Agreement**").

The Terms may be modified in individual cases, provided that the Parties (as defined below) have jointly and in writing agreed to the modifications.

2. Definitions

In connection with the Terms, the following phrases shall have the meaning attributed to each of them below:

"**Institute**" means the Arbitration Institute of the Stockholm Chamber of Commerce;

"**Parties**" means the Supplier and Pirelli jointly;

"**Party**" means the Supplier and Pirelli separately;

"**Pirelli**" means Pirelli & C. S.p.A., or its subsidiaries owned at any given time;

"**Products**" means all materials, machinery, products, goods and otherwise all movable property to be delivered in accordance with the Order or Agreement;

"**Services**" means the work and activities provided by the Supplier to Pirelli and/or the work ordered by Pirelli from the Supplier; and

"**Technical Information**" means the drawings and technical/functional descriptions, with which the Products and Services shall be performed.

3. **Order and Order recognition**

Pirelli shall order Products or Services in writing by sending an Order to the Supplier. The order shall contain the necessary information about e.g. quality, quantity, delivery date and article number. The Supplier shall, within five working days of receiving an Order, notify Pirelli if the Order is not accepted. If no notice is given, the Order is considered accepted. When an Order is accepted by the Supplier, it is binding between the Parties. If the Supplier's confirmation by addition, restriction or reservation differs from the Order and Pirelli does not accept these changes, the Order is invalid.

By accepting the Order, the Supplier agrees to deliver the Product and/or Service in accordance with the Technical Information provided by Pirelli.

If there are conflicting provisions in these Terms and the Order, the Order shall prevail over these Terms.

4. Technical information

Technical information related to the Product or its manufacture and/or to the Service, transmitted by Pirelli to the Supplier, remains the property of Pirelli. The Technical Information may not, without Pirelli's consent, be used for any purpose other than for which it was provided. It may also not be copied, reproduced, disclosed or otherwise brought to the attention, announcement or public domain of any third party without Pirelli's consent.

5. Price and payment

Unless otherwise decided between the Parties, payment shall be made in Swedish kronor. Payment must be made within 45 days from the delivery date and invoice date. In order for a payment to be made within the specified time, the invoice must indicate the correct recipient and all other information relevant to Pirelli, such as the number of the current Order and the item number. If the invoice cannot be paid on time due to the non-provision of relevant information, this shall not constitute a delay in payment. In the event of delay in payment, interest in arrears shall be paid in accordance with the Swedish Interest Act.

The total price of the Products and Services includes all relevant duties and taxes, with the exception of general goods taxes, excise taxes, value added taxes or similar sales taxes in the country of origin of the Products or Services. The Supplier shall specify on the invoice any goods taxes, excise taxes, value added taxes and similar sales taxes imposed by law on the Products or Services. The Supplier shall provide Pirelli with all necessary documents and information for Pirelli to prove the tax paid, as well as for tax accounting and VAT refunds.

Unless otherwise agreed in writing between the Parties, the price includes all packaging and shipping costs.

If a dispute arises about payment regarding any delivery, the Supplier does not have the right to withhold other deliveries.

6. Delivery and delivery time

All deliveries and shipments from the Supplier to Pirelli or a delivery point designated by Pirelli shall, unless otherwise agreed, be made DDP [*according to PO*] (INCOTERMS 2010).

If, instead of a fixed delivery date, the Parties have agreed on a period within which delivery is to take place, this runs from the conclusion of the Agreement.

The Products must be packaged for delivery in accordance with Pirelli's requirements. Otherwise, the Products shall be packaged for delivery in such a way that damage to or deterioration of the Products cannot occur under normal transport conditions.

The Supplier is obliged to provide Pirelli with all necessary documentation for the import and export of the Products. This should be done in sufficient time so that Pirelli does not risk delay or additional costs.

The Supplier is obliged to deliver the agreed quantity, on the delivery date specified in the Order. Incomplete deliveries will not be accepted, except with Pirelli's prior written consent. If an incomplete delivery is accepted by Pirelli, the Supplier shall bear any transport costs incurred due to such incomplete delivery. In case of incomplete delivery, the Supplier shall specify the remaining quantity on the delivery note and invoice for such incomplete delivery.

7. Delay notification

If the Supplier can foresee that the Products will not be able to be delivered on the date specified in the Order, the Supplier shall immediately notify Pirelli in writing. The Supplier shall indicate the reason for the delay, and if possible also the expected delivery date.

8. Penalty payment in the event of the Supplier's delay

If the Supplier does not deliver the Product and/or the Service in a timely manner, and this is not due to the situation referred to in paragraph 17 (force majeure), Pirelli is entitled to a penalty payment from the day delivery should have taken place.

The periodic penalty payment shall, for each full week of the delay, be 0,5 % of the part of the agreed price relating to that part of the Product and/or Service which, due to the delay, cannot be put into its intended use. The periodic penalty payment shall not exceed 7,5 % of this calculation base.

The periodic penalty payment is due in the event of a written request from Pirelli, but no earlier than the completion of the delivery or at the time of cancellation in accordance with paragraph 11.

The supplier shall also compensate Pirelli for all direct and indirect losses and damages caused by the late delivery if the damage exceeds the penalty.

9. Cancellation in the event of a delay by the Supplier

If delivery of the Product and/or Service is delayed due to The Supplier, Pirelli has the right to:

a) cancel in whole or in part the Purchase of the Products and/or Services for which Pirelli does not consider to be of any use due to the delay; and
b) replace the Products and/or Services through purchases from other suppliers.

10. Warranty

Unless otherwise agreed in writing, the Supplier is liable for defects that appear in the Product and/or Service within 12 months from the date of delivery, or, where applicable, 12 months from the date the Product is delivered to Pirelli's end customer.

A Product or Service shall be considered defect if it:

a) in any way deviates from the Technical Information;
b) deviates from professional standards;
c) is not of the quality the Supplier has stated through product samples, prototypes or through its marketing;
d) is not as safe as Pirelli had reason to expect;
e) does not meet the requirements of paragraph 12;
f) in any other way deviates from what Pirelli had reason to expect.

11. Remedial commitment

If a Product and/or Service is defect pursuant to paragraph 10, Pirelli has the right to:

a) request that the Supplier immediately rectify the defect; or
b) request re-delivery of the Product and/or Service.

If a defect Product cannot be repaired or replaced without delay, or if there is a risk of disruptions in the production of Pirelli or disruptions in Pirelli's deliveries, Pirelli has the right to:

a) at the Supplier's expense, carry out repair work or without having previously obtained the Supplier's approval, make a replacement purchase with another supplier; and
b) cancel in whole or in part the purchase of those Products for which Pirelli does not consider itself to benefit from due to the defect.

In addition to what is stated above, the Supplier shall indemnify Pirelli for any direct and indirect loss or damage arising from defects in delivered Products.

If, due to a delivery of defect Products, Pirelli finds it necessary to inspect all Products from the Supplier, Pirelli shall have the right to carry out such inspection after notifying the Supplier of the inspection, and without having to wait for the Supplier's consent. The notification shall describe the nature of the defect and the time and place of the inspection. Where possible, the Supplier shall be given the opportunity to be present at the inspection. The Supplier shall bear the cost of such inspection.

12. Product liability, recall and insurance

The Supplier shall indemnify and hold Pirelli harmless for all direct and indirect losses and damages incurred in connection with any of the Products causing personal injury or damage to property.

If a claim is made against Pirelli due to defects referred to above or due to infringement of third parties' intellectual property rights referred to in paragraph 13, Pirelli shall immediately notify the Supplier of the claim. If such claim is made against the Supplier, the Supplier shall immediately notify Pirelli of the claim. The Parties shall take the necessary measures to best address such a claim. If a dispute arises in connection with a claim against Pirelli, the Supplier shall, at Pirelli's request, assist Pirelli or take Pirelli's place in the dispute.

In there is a risk that any of the Products causes personal injury due to a safety defect or damage to property due to the fact that the Products are defect and Pirelli as a result decides to recall the Products, the Supplier shall reimburse Pirelli for all costs incurred in connection with such recall.

The supplier shall take out and maintain product liability insurance and recall insurance during the contract period and for ten years thereafter and shall, at Pirelli's request, provide Pirelli with a copy of the insurance policy.

In addition to what has previously been stated in these Terms, the Parties undertake, without exception during delivery and for a period thereafter during which the Parties may be held liable for breach of contract in accordance with these Terms, to maintain standard and reasonable business insurance against commonly occurring risks.

13. Intellectual property rights

The Supplier warrants that the Products or the use of the Products do not in any way infringe upon or otherwise violate the intellectual property rights of third parties.

The Supplier shall indemnify Pirelli against any claim, suit or other legal proceeding arising out of such infringement or violation and for any loss, cost, damage, expense (including legal advice costs and cost of administrative work performed) caused by Pirelli as a result of or in connection with the third party's claim that the Products infringe the rights of third parties. It is the Supplier's

obligation to replace Products that infringe upon the intellectual property rights of third parties or obtain all necessary permission from third parties. The supplier shall investigate, defend and otherwise deal with all situations of this nature.

14. Early termination due to insolvency or breach of contract

In addition to the penalties a Party may resort to in the event of breach of contract under these Terms, either Party shall have the right to terminate an Order by providing written notice of termination to the other Party if:

a) the other Party is committing a breach of contract of material importance and fails to rectify such breach of contract within 30 days of receiving notice thereof; or

b) the other Party suspends its payments, enters into liquidation, is declared bankrupt, initiates company reconstruction, enters into composition negotiations or may otherwise be considered insolvent.

Termination of an Order shall be notified promptly after the breach of contract became or should have become known to the aggrieved Party.

15. Laws and Code of Conduct

The Supplier is responsible for ensuring that the Products and Services comply with relevant Swedish and international laws, regulations, standards, requirements, directives, instructions and other rules issued by the relevant authorities, bodies and control organizations at any given time.

The Supplier and the Supplier's subcontractors shall comply with Pirelli's Code of Conduct in force at any given time, which shall be considered an integral part of these Terms. The Code of Conduct is available at https://corporate.pirelli.com/corporate/en-ww/sustainability/policies/the-ethical-code.

The Supplier's breach of the Code of Conduct shall be considered a material breach of contract which gives Pirelli the right to terminate all Agreements with the Supplier with immediate effect.

16. Subcontractors and assignment

The Supplier is responsible for hired subcontractors such as for its own commitment and shall impose on hired subcontractors the corresponding terms and obligations that the Supplier has to comply with under these Terms.

Neither Party may partially or fully assign its rights or obligations under these Terms to third parties without prior written consent to the other Party.

17. Announcements

All correspondence and other communications under these Terms shall be in writing in English and shall be deemed to have been received by the recipient (i) at the time of delivery, if delivered in person, (ii) the following business day if it was sent by e-mail, (iii) two business days after delivery for delivery by courier, if it was sent by reputable courier (with receipt of confirmation of delivery), or (iv) five business days after delivery for the carriage of mail, if it was sent by registered letter or registered letter with acknowledgement of receipt, to or at such address as the recipient communicated to the sender for this purpose.

18. Confidentiality

Each Party undertakes not to disclose to third parties information (whether oral or in written, electronic or other form) without the other Party's written consent or otherwise about the other Party's activities that may be considered a business or trade secret or otherwise use such information for any purpose other than the Party's performance of its obligations or these Terms. As a business or professional secret, information specified by the Party shall always be considered confidential.

The obligation of confidentiality does not apply to such information that a Party can show has become known to it in another way than through the Parties' business relationship or that is generally known. The obligation of confidentiality also does not apply when a Party is obliged by law, other constitution, government decision or stock exchange rules to disclose information.

A Party shall return confidential information when requested by the other Party.

19. Force majeure

If the Party's performance of its obligations under these Terms is materially impeded or prevented due to circumstances beyond the Party's control and to which the Party could not reasonably be expected to have anticipated at the time of transmission or receipt of an Order, and the consequences of which the Party could not reasonably have avoided or overcome, such as, for example, general labor disputes or other problems in the labor market that do not relate to Party's failure to sign collectively, war, fire, lightning, terrorist attack, changed government regulation, government intervention and failure or delay in services from subcontractors due to circumstances stated herein, this shall constitute grounds for exemption that entails relief from damages and other penalties. Any Party wishing to invoke grounds for exemption pursuant to this paragraph shall without undue delay give the other Party's written notice thereof. If the Party's performance of these Terms is materially prevented for longer than three months by grounds for exemption under this paragraph, the other Party may cancel an Order in writing with immediate effect.

20. Applicable law and arbitration

These Terms shall apply under and be construed in accordance with Swedish law.

Any dispute arising out of the Agreement shall be finally settled by arbitration administered by the Institute. The seat of the arbitration shall be Stockholm.

The Institute's Rules for Expedited Arbitration shall apply unless the Institute, taking into account the severity of the case, the value of the subject matter of the dispute and other circumstances, determines that the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce shall apply to the proceedings. In the latter case, the Institute shall also decide whether the arbitration panel shall consist of one or three arbitrators.