

## **Standard Terms and Conditions of Purchase Order – Pfizer, Branch Italy, 20<sup>th</sup> March 2017**

### **1. Recitals**

- 1.1** The following terms and conditions (hereinafter referred to as “Conditions”) should be taken to apply to any purchase order (hereinafter referred to as “the Order” or “Order”) issued by Pfizer group companies in Italy indicated in the inscription (hereinafter referred to as the “Company” or “Pfizer”) for the purchase of goods and/or raw materials (hereinafter referred to as “Goods”) and/or services (hereinafter “Services”), in the absence of any other agreement signed between the parties. If the Order is issued in performance of a framework agreement signed between the parties, the Order will be governed by all the terms and conditions included in the latter agreement. The natural person or corporate entity consignee of this Order will be hereinafter referred to as the “Counterparty” or “Supplier”.
- 1.2** The Conditions should be taken to apply to each Order unless it contains an express derogation with special conditions.
- 1.3** Without prejudice to section 2.2 below, these Conditions cancel and substitute in actual fact any conditions previously made by the Supplier, the conditions listed on invoices, letters, contracts, offers or other by the Supplier which depart from or are inconsistent with these Conditions. Other contractual documents forming part of the Order shall have no effect against Pfizer, unless they are expressly accepted in writing by the latter.
- 1.4** No variation to this Order shall be considered valid unless it is agreed in writing and is duly signed by both parties. Should one or more clauses of these conditions turn out or be declared void, the validity of the remaining provisions shall not be affected. The parties shall substitute the invalid clause with a new provision that corresponds as much as possible to the financial purposes pursued by the invalid provision.

### **2. Order**

- 2.1** In the absence of any other agreement signed between the parties, the Supplier shall send to Pfizer within 15 calendar days from the date of receipt of the Order a duly signed copy thereof signifying full acceptance of the contents thereof and of these Conditions. Pfizer shall not consider the Order as having been concluded should any reservation, waiver or alteration which have not been expressly agreed with Pfizer be included in the signed copy or by means of any other equivalent confirmatory act of the Order. The delivery and/or performance of the Goods and/or Services by the Supplier without the Order signed amounts to full acceptance of these Conditions - also in accordance with articles 1341 and 1342 of the Italian Civil Code - besides the conclusion of the Order.
- 2.2** The acceptance or payment for Goods and/or Services by Pfizer shall not in any case constitute any recognition or acceptance of any conditions proposed by the Supplier, which should consequently be rejected.
- 2.3** The Goods and/or Services shall be supplied in strict compliance with the Order’s requirements and prescriptions, and by the rules, tables, specific data and drawings mentioned and/or attached to said Order and to these Conditions. The technical characteristics applied in the Order, or in any other document connected or consequential thereto, shall form an integral part of the Order and constitute essential qualities in accordance with art. 1497, first paragraph, of the Italian Civil Code.
- 2.4** The Order number and – in the case of multiple lines - the line number of this document should always be mentioned in any correspondence, delivery notes and invoices.

### **3. Drawings and other technical documents and specific equipment**

- 3.1 Drawing specifications and any technical documents, besides models, samples and such specific equipment as Pfizer makes available to the Supplier shall remain the property of Pfizer and can only be used to carry out the Order.
- 3.2 The Supplier is bound to take all necessary steps for the good keeping of the sample models and specific equipment and also to see, at his own expense, to routine maintenance. As to the mentioned work equipment, the Supplier is bound to take out insurance against fire and theft risks, either with a specific policy or by including them under the insurance policy referred to in article 12. Any refurbishment of this work equipment resulting from normal wear and tear shall otherwise be borne by Pfizer.
- 3.3 While keeping the material referred to in article 3.2 above the Supplier must inform Pfizer of any extraordinary repairs or of any replacements which might be needed. Unless attributable to negligence or damage caused by the Supplier, the relative expenditure shall be borne by Pfizer.
- 3.4 If during the operational period any shortcomings were to be found due to faulty technical documents or to equipment or materials provided by Pfizer, the Supplier must immediately notify Pfizer and agree with this company before passing on to eliminating and/or changing them.

#### **4. Supply of material**

- 4.1 The Supplier shall see to the supply of material to perform the Order according to the agreed quality and amount.
- 4.2 The amounts are set in such manner as to take account of any decrease and rejects and scrap waste. Pfizer would still be the owner of any material provided to perform the Order but it would be incumbent on the supplier to insure said material against fire risks and, if so required, also against theft, or by means of a specific policy or by seeing to it being included in the insurance policy referred to in article 12.
- 4.3 The Supplier shall see to storing, at own expense, the material which can only be used for the ordered work. He shall also see to its proper keeping and to abiding by such rules of prudence and diligence as are normally required in the course of his activities.

#### **5. Packaging and Transport**

- 5.1 Nothing shall be due to the Supplier for packaging, wrapping, crates, boxes and any other form of packaging, unless otherwise specifically agreed and these are therefore included in the unit prices fixed for the supply of the Goods. The Supplier is responsible, to all intents and purposes, for any loss, damage or deterioration sustained by Pfizer and/or damage caused to third parties however resulting from and/or related to defective or inadequate packaging.
- 5.2 The packaging types shall be set and be under the Supplier's responsibility on the score of transportation needs (by rail, air, own vehicle) and the handling needs in Pfizer's individual locations.
- 5.3 Unless otherwise agreed between the parties, the Supplier is also bound to collect such packaging materials and to retrieve them or recycle them at his own expense if so laid down by current laws, without prejudice to the assumption, if so permitted by law, that the Company may request to keep that packaging, wrapping material, etc. More generally, without prejudice to the provisions of article 19 below, the Supplier undertakes, at own expense and responsibility, to abide by all legal obligations in the field of packaging.
- 5.4 Unless otherwise agreed between the parties, Pfizer will not be bound to return to the Supplier such packaging and wrapping material, crates, boxes and any other form of packing.
- 5.5 Goods must be packaged with materials conforming to current regulations and in such manner as to be properly protected. If the recycling of the relative packaging materials is required

under the laws of the country where the Goods are to be delivered and used, the Supplier shall ensure that the protective packaging can be recycled or reused outside the public waste disposal system.

- 5.6** The transport of Goods is under the responsibility and at the expense of the Supplier, who will bear all risk.

**6. Delivery, legal ownership and risk**

- 6.1** All deliveries of Goods and/or Services must be made in the manner, by the time and at the place specified in the Order. In the case of deliveries which are made beforehand or exceeding contract terms, Pfizer reserves the right not to accept them in the absence of prior formal authorization.

- 6.2** Any tolerances on amounts must in any case be expressly agreed. The terms laid down in the Order and in its specifications should be considered as essential terms in accordance with art. 1457 of the Italian Civil Code.

- 6.3** Unless otherwise agreed and as an express departure from art. 1510 of the Italian Civil Code, the delivery of ordered Goods shall be deemed to have been completed at the time of their receipt at the addresses shown in the Order when the unloading of Goods is completed; should it however be scheduled that the Goods are installed by the Supplier, the delivery shall be deemed to have been made when the installation is completed. The delivery should not be construed as acceptance since pursuant to article 7 below and/or a verification of the conditions, amount and quality of said supply the testing is to be made exclusively by the consignee.

- 6.4** In the absence of an explicit clarification, when the contents of the Order are to be delivered at place (DAP) with their packaging included, the Goods will therefore travel under the Supplier's responsibility and risk. Unless otherwise specified, the relative risk to the Goods is transferred by the Supplier to Pfizer at the time of their delivery. The right of retention of legal ownership in favor of the Supplier is expressly excluded. Upon acceptance of the Goods and/or Services, their ownership and - in the case of Services, of the materials produced - are meant to be transferred to Pfizer.

- 6.5** Should the Supplier not deliver the Goods and/or not complete the Services or part thereof on the scheduled date, in addition to Pfizer's other rights to which it is entitled (penalties and compensation for damages as referred to in articles 18 and 20 below), Pfizer reserves the right, at its sole discretion, to: **1)** keep the Order at a standstill while assessing, after giving notice to the Supplier, the possibility to apply a penalty up to a limit of 2% of the value of the undelivered Goods or of the unrendered Service for each week of delay, without prejudice to the right to be compensated for any further damage; **2)** to cancel the Order by e-mail or letter with return advice of receipt, with an exemption of the offer referred to in paragraph 1 of art. 1517 of the Italian Civil Code, in the event that the delay exceeds three calendar weeks. In any case, the Supplier shall promptly communicate to Pfizer his inability to effect the delivery of Goods/Services and in any case the Supplier should do all that is possible to effect the delivery on the date as originally scheduled or on the date agreed with Pfizer. Any additional costs required to comply with the originally scheduled date of delivery or with the agreed date shall be borne by the Supplier; **3)** to acquire the supply from elsewhere at any time and at the risk of the Supplier, even outside of the cases envisaged under art. 1516 of the Italian Civil Code, subject always to compensation for any further greater damage.

- 6.6** In the event of a recurrence of proven cases of force majeure referred to in article 14 below, duly communicated to Pfizer and so however before the deadline, which in any manner affect the delivery terms, Pfizer can opt to accept a shift of the original terms or to withdraw from the Order without being obliged to pay any compensation.

- 6.7 All delivered Goods must be accompanied by a legitimate delivery note showing the date, location and number of the Order, and an exact specification of the material (code and description), in addition to any other legal requirement. In the event that the rules relating to deliveries mentioned above were not complied with, Pfizer reserves the right to reject the goods as “unidentifiable” (purchase order and/or code).
- 6.8 All Goods must also always be accompanied by shipping notifications showing all the particulars deemed necessary by Pfizer besides any other documents required by current law (including export licenses and permissions). The Supplier shall provide Pfizer with all necessary assistance in order to obtain the documents required by Pfizer relating to the Goods/Services.

## 7. Checks and testing of Goods

- 7.1 Pfizer reserves the right before the Goods are delivered and/or before or while performing the Services, after written notice is given to the Supplier, to inspect the Goods and/or to monitor their work stages at all times. To this end the Supplier is bound to authorize Pfizer representatives and/or inspectors to have access to his workshops and/or workplaces and in those of his suppliers, if any. The Supplier also agrees to allow free access to his technical offices to Pfizer’s inspectors/testers and/or those of third parties appointed by Pfizer and to provide them with all information, documentation and assistance necessary to carry out their tasks. To this end, the Supplier must insert a provision similar to this clause in the agreements finalized with his suppliers.
- 7.2 Any inspection taking place before or after the delivery and/or any approval by Pfizer of the specifications, drawings, samples or other descriptions of the Goods and/or Services provided by the Supplier shall not impair Pfizer’s right to reject the Goods, if these are defective, or to contest the Services if they differ from the agreed specifications. For all effects the Company, within a reasonable period of time from the date of delivery, shall in any event be fully entitled to examine the supplied Goods and/or Services and may notify the Supplier about any defects and/or discrepancies which may result from such examination. In any case the Company reserves the right to reject any Goods and/or Service which would have been found to be defective or non-conforming with the agreed specifications.
- 7.3 Upon delivery of the Goods the Supplier, where necessary/requested, is required to test them according to the types and testing procedures shown below or as otherwise agreed between the parties. Differences in weights or amounts as well as any defects encountered during testing should be notified to Pfizer not later than 10 days from actual delivery.

### 7.3.1 *Testing done at the Supplier’s*

If when work has been finished the Goods are tested at the Supplier’s, said Supplier must notify Pfizer of the date set for the testing in order to allow Pfizer’s representatives to attend. Testing will in any case take place within 15 days from when the advance notice has been given. The general features and specifications and the procedure for the testing of Goods are to be agreed between the parties in advance and shall be governed by special contract provisions.

When the test is performed on the basis of the foregoing, a special report shall be drawn up and then delivered pursuant to article 6 above. Should there be any pieces of scrap or non-conforming parts, Pfizer may opt to:

- recover the defective parts with additional processing with costs to be borne by the Supplier, as per arrangements made beforehand between the parties;
- invite the Supplier to sort, at his own expense, the parts and pieces matching the agreed requirements;
- ask for the replacement of the pieces of scrap or of the whole lot of which they form part;

- reject the pieces of scrap or the whole lot of which they form part without requiring their replacement, when the replacement lot can no longer be used by Pfizer.

If the material is supplied by Pfizer:

- no compensation is given to the Supplier for the work performed on pieces which have been discarded owing to defects in the material, provided they are not hidden defects;
- any pieces which cannot be used owing to constant manufacturing defects shall be discarded and the material used shall be charged to the Supplier after deducting the resulting value of material which can be recovered.

### 7.3.2 *Testing at Pfizer's*

If when work has been finished the Goods are tested at Pfizer's, the Supplier must notify Pfizer and agree with Pfizer on the planned date of testing. The general features and specifications and the procedure for the testing of Goods are to be agreed between the parties in advance and shall be governed by special contract provisions.

The Supplier may send his own staff to Pfizer to view the means and procedures used in testing when received. Having performed the test on the basis of the foregoing, the special report shall be drawn up.

If there are any non-conforming pieces of scrap, Pfizer may opt to:

- recover the defective parts with additional processing with costs to be borne by the Supplier, as per arrangements made beforehand between the parties;
- invite the Supplier to sort, at his own expense, the parts and pieces matching the agreed requirements;
- ask for the replacement of the pieces of scrap or of the whole lot of which they form part;
- reject the pieces of scrap or the whole lot of which they form part without requiring their replacement, when the replacement lot can no longer be used by Pfizer.

If the material is supplied by Pfizer:

- no compensation is given to the Supplier for the work performed on pieces which have been discarded owing to defects in the material, provided they are not hidden defects;
- Any pieces which cannot be used owing to constant manufacturing defects shall be discarded and the material used shall be charged to the Supplier after deducting the resulting value of material which can be recovered.

7.4 Without prejudice to the provisions of this article, the reporting of any faults and defects can, in all cases, be made by Pfizer within sixty days from their discovery in departure from art. 1495 of the Italian Civil Code, even where the Goods have been already used or put up for manufacture and the relevant invoices had already been paid.

## 8. **Certifications, Licenses and Miscellaneous Permits**

8.1 Pfizer may claim from the Supplier any documents of certification of the quality of supplied Goods and/or Services. If required, analysis and testing certificates of mechanical, physical, chemical, etc. features should be provided, which are to be submitted along with the Goods and/or Services. Should this not be the case, payment shall be delayed depending on the date when the certificate is received.

8.2 The Supplier undertakes to enter into the certificates of origin and/or preferential certificates all such data and specifications as may be required and, at Pfizer's request, to exhibit those certificates duly signed.

8.3 Any charge so however connected with licenses or permits relating to the implementation of Services and to the supply/transfer of the Goods covered by the Order shall be under the Supplier's sole responsibility and expense.

## 9. **Prices**

- 9.1 The Supplier declares he is fully aware of all space-time conditions and of having taken due account of the circumstances and matters related thereto which may in any way affect implementing the Order and the setting of prices.
- 9.2 The agreed prices, which are deemed to be profitable by the Supplier, are considered fixed and constant for the whole duration of the relationship, regardless of any supervening charges even if they are not caused by defects, errors and omissions attributable to the Supplier.
- 9.3 The prices agreed on the Order shall be construed as being inclusive of all charges, including tax (excluding VAT unless otherwise agreed), costs, including those for delivery, transport, cargo insurance, and benefits of any kind, including risks relating to the fulfillment of the Order, as prescribed, with obligations and within the time limits set, even if due to third parties, institutions or authorities.
- 9.4 Unless otherwise agreed, the Supplier shall bear the shipping costs for normal deliveries, both when sending out a first supply and when sending for repairs/testing.

## **10. Billing and Payment**

- 10.1 Pfizer shall pay the fees agreed and indicated in the Order only against the issuance of a legitimate invoice containing the information and conditions agreed with Pfizer.
- 10.2 The invoice should include the Order number, the Order date, the location of the Order, the goods being delivered including the date of delivery, VAT and other taxes which must be shown in accordance with the law. Every invoice must mention the amounts shown in the single Order and must be addressed to the Company on the basis of the data provided by the latter if these are not found in said Order.
- 10.3 Whenever the Supplier must make multiple shipments of Goods and/or Services to several consignees, on the same day and in the face of a single Order, the latter must issue separate invoices. In such cases, the invoice must show:
  - the number and date of the Order;
  - the number and date of any Relocation Order and date of shipment notification;
  - list of Goods and/or Services in the progression of shipment notifications;
  - destination of the Goods.
- 10.4 Unless otherwise agreed in writing between the Parties, arrangement for payment of fees for the Goods and/or Services covered by this Order shall take place within 60 days of the date of receipt of the invoice issued by the Supplier. Payments shall be made once a fortnight and shall be made by bank transfer, using the banking coordinates specified by the Supplier.
- 10.5 It is expressly understood that Pfizer shall be entitled to suspend payment of the fee where Pfizer would have requested appropriate documentation attesting to the correct and timely fulfillment of legal obligations pursuant to article 19 below and the Supplier would have failed to provide it, or if the documentation provided is insufficient or where in relation to them there could be legal responsibility borne by Pfizer.
- 10.6 In case of delay in payments over the term of the contract, where such delay is attributable to Pfizer late-payment interests are due if they amount to more than five Euro (5.00) to the extent of the legal rate of interest, fixed under art. 1284 of the Italian Civil Code, for the first 60 days of delay and, for the 61st day onwards, by the arithmetic mean of the Euribor rates calculated over one calendar month from the calendar month when the 61st day after the expiration of the invoice occurs, increased by two percentage points.

## **11. Warranty**

- 11.1** The Supplier states and warrants that he shall implement all activities related to the performance of the Order with the specific professional diligence required therefore, according to the highest professional and quality standards and in accordance with current applicable law.
- 11.2** The Supplier states and warrants that the supplied Goods and/or Services are suitable for the purpose for which they are intended to be used, and without any obvious and hidden defects as regards both material and their manufacture.
- 11.3** In particular, the Supplier warrants that the delivered Goods and/or rendered Services:
- comply with the specifications contained in the Order and with the specifications provided by Pfizer with regard to that Order, and/or with the technical specifications of the Good/Service in the Supplier's catalogue;
  - comply with the laws, current licensing and registration requirements at the place of delivery and in other territories indicated by Pfizer, as well as with all the directives and regulations in force in the European Union;
  - are free from defects and suitable for use even if the material used has been supplied by Pfizer (except where the defect is caused by defects by Pfizer).
- 11.4** The acceptance of late, incomplete or defective deliveries or the payment of their invoices shall not constitute a waiver to invoke one's rights and/or to carry out actions as arising under these warranties and to the applicable laws and to these Conditions.
- 11.5** In the event of a breach of the warranties referred to in this article, Pfizer may request, at its discretion, an immediate free replacement of the goods or the elimination of the defect or a price reduction. Should the Supplier be unable to meet Pfizer's demands, the latter shall be entitled to remedy the defects and/or repair the damage at the expense of the Supplier.
- 11.6** All other rights arising from the breach, such as termination and compensation for the damage suffered, shall remain unaltered.
- 11.7** The above warranties are effective for a period of 12 months from the date of delivery of the Goods - or 2 years in case of a sub-contract - without prejudice to the possibility of applications in individual cases of extended terms negotiated with the Supplier or deriving from law or from usages and customs. No objection which the Supplier may raise through the courts or otherwise shall release him from the obligation to deliver and/or to provide on the agreed dates and places the Goods and/or Services referred to in this Order.

## **12. Liability and Insurance**

- 12.1** The Supplier shall be liable for any injury to, or death of, persons and/or damage to property belonging to Pfizer and third parties and/or to persons resulting from an infringement and/or breach of these Conditions, from product liability or by any action done by the Supplier's staff besides any action done by undertakings and/or consultants to whom the Supplier would have entrusted assigned sub-supply and/or sub-contracting the activities shown in the Order. The Supplier undertakes to hold harmless and indemnify Pfizer from any liability resulting from the above mentioned facts.
- 12.2** The Supplier shall maintain appropriate insurance cover against risks resulting from the implementation of the activities referred to in this Order and in case of any breach of these Conditions. If the Order specifies a limit of liability or a request for specific insurance coverage, this must be complied with by the Supplier. If the Supplier is found to be in default of this obligation, Pfizer may directly take out its insurance policy for the Supplier, with costs to be borne by the Supplier. At Pfizer's request, the Supplier must exhibit the insurance policy and shall ensure that the insurance is jointly issued with the Supplier and Pfizer and, in any case, so that Pfizer appears in the insurance policy as the beneficiary.

### **13 Alterations to the supply**

- 13.1** Pfizer may request the Supplier in writing at any time to make alterations in the amount or quality of the Goods and/or Services requested by the Order.
- 13.2** Unless otherwise agreed between the parties, if the Supplier considers he is eligible for additional compensation for such alterations, or that they are such as to jeopardize the timely fulfillment of his contractual obligations, the Supplier must notify Pfizer in writing within seven days of receipt of the written request for an alteration, with a detailed note justifying the Supplier's demands. Failing to do so, the Supplier shall lapse from any entitlement to additional compensation.
- 13.3** After receiving a legitimate request for additional compensation, Pfizer shall assess whether to press on or not with the request for alteration.
- 13.4** If in the affirmative, new conditions may be agreed.

### **14 Force majeure**

- 14.1** For the purposes of these Conditions a force majeure event means any unforeseeable and irresistible event which prevents the fulfillment of the obligations mentioned in the Order. The following are excluded from the definition of force majeure:
- lack of material and/or workforce;
  - the inability to make agreement with, or the early termination of, or the non-performance of sub-suppliers/subcontractors;
  - strikes by the Supplier's employees.
- 14.2** The Supplier cannot plead force majeure with regard to any non-fulfillment and delays preceding the event of force majeure. In order to allow Pfizer to fulfill its contractual obligations towards third parties, the Supplier undertakes, upon the occurrence of a force majeure event, to notify same by e-mail to Pfizer within five working days of its occurrence accompanying such communication with appropriate documentation – even in the event that it is issued by the competent authorities – proving the nature of the event and its expected duration.
- 14.3** The occurrence of a force majeure event which partially prevents the fulfillment of obligations by one party does not exempt that party from fulfilling the obligations which have not been prevented by the force majeure event.
- 14.4** Pfizer in any case reserves the right to terminate the Order if the force majeure event has a duration of more than one calendar month.

### **15 Intellectual Property Rights/Third Parties Rights**

- 15.1** The Supplier warrants that, when performing the activities covered by this Order, no right (including third party rights) shall be breached or otherwise compromised. Pursuant to and for the purposes of these Conditions, "Rights" means: patent rights, copyrights, trademark rights (registered and unregistered), rights on utility models and other intellectual and industrial property rights provided for under any national law.
- 15.2** In the event that the Goods and/or Services are produced or supplied on the basis of projects, or of specifications provided by Pfizer or, still, if the Supplier has provided Pfizer with proposals of alterations or improvements with regard to the originals, the title of ownership of the Rights related to the Goods and/or Services as altered shall in any case pertain to Pfizer, except as provided for by art. 6 of Law no. 192/98. "Improvements" also means the information, the knowledge, the ideas, the projects, the materials, the inventions and expressions of ideas produced by the Supplier (and by his appointees or employees) in relation to an Order.

- 15.3** Where the construction/supply of Goods and/or Services involves the use of Third Party Rights, the Supplier shall undertake what is necessary in order to allow their use by Pfizer, or, if required by Pfizer, that the ownership of such Rights is transferred to Pfizer at their own expense.
- 15.4** Without prejudice to the right to termination and compensation for damages for non-performance, the Supplier shall be committed to defending and holding harmless the Company and its successors from any liability for any human rights breaches, including all expenses and costs incurred by Pfizer in consequence of any actions brought by third parties to protect or assert their Rights.
- 15.5** All goods, samples, documents and information provided to the Supplier by Pfizer and all of Pfizer's rights shall still belong to Pfizer and/or the Group. Their use by the Supplier is authorized only within the limits provided by the Order or by any other agreement between the parties.

**16 Ban on Sub-supplies and Sub-contracting – Assignment of the Order**

- 16.1** The Supplier cannot entrust third parties with the delivery of the Goods and/or Services mentioned in each Order without Pfizer's prior written consent. In any case the liability for complying with the Order is incumbent on the Supplier.
- 16.2** If the Supplier considers proposing to Pfizer to entrust the activities or part thereof to third parties, the Supplier undertakes to identify only companies of high standing and to ensure full compliance with contribution, social security and accident prevention obligations, as well as, more generally, rules relating to employment relations, and to make available to Pfizer, at its request, all documents certifying the correct fulfillment of the above mentioned obligations by the sub-contracting/sub-supplier company.
- 16.3** The Order cannot be transferred by the Supplier to third parties, in whole or in part, without Pfizer's formal authorization. In any case, the Supplier shall assume full and total responsibility towards Pfizer for non-performance, by the assignee of the obligations undertaken by the Supplier, and shall remain the guarantor of the assignee's fulfillment of the obligations mentioned in the Order.
- 16.4** Following prior notice, Pfizer may, at its discretion and at any time, assign or transfer the Orders to companies and/or entities belonging to the Pfizer Group. In addition to the warranties provided in article 11, the Supplier agrees to transfer and/or assign to Pfizer all rights and/or benefits deriving from warranties relating to Goods supplied to the Supplier by third parties.

**17 Ban of credit transfer**

- 17.1** The Supplier is prohibited from transferring, under any title and in whatever form, any credit arising from the Order without Pfizer's prior explicit approval.
- 17.2** In the absence of the above mentioned explicit approval, credits cannot be subject to any act of disposal by the Supplier, not even for warranty purposes, nor can they be cashed by persons other than the creditor but who have been empowered to act as representatives and/or managers. For example, principals are therefore excluded, among others, to demand cash and to act as encashment proxies. The parties also expressly agree that a breach of the provisions of the preceding paragraphs entitles Pfizer to terminate its relationship pursuant to art. 1456 of the Italian Civil Code, resulting in the Company's right to compensation for damages.

**18 Penalties and other warranties**

- 18.1** Failure to comply with the delivery terms of Goods and/or the performance of Services shall make it incumbent upon the Supplier to pay the penalties mentioned in article 6 of these

Conditions or specifically agreed in the Order provisions. This is nevertheless without prejudice to Pfizer's right to obtain compensation for further damages.

- 18.2 Penalties must be paid by the Supplier within 30 days from the date of receipt of the relative administrative document. Pfizer shall also be entitled to withhold the relative amount of any sum which may in any case be due to the Supplier.
- 18.3 Any ascertained non-fulfillment by the Supplier constitutes an entitlement to the retention of payments which would have accrued for prior services, although not related to the Order, as guarantee against the consequences of the Supplier's default.

## **19 Observance of environmental and occupational safety laws, rules and regulations**

- 19.1 The Supplier, under his sole responsibility, is obliged to comply with the provisions of the law, as well as to observe all regulations, rules and instructions given by the competent authorities relating to employment contracts, occupational safety, health and occupational hygiene applying to its staff, to any third party collaborators and/or to sub-contractors/sub-suppliers, and to the task performed, besides in the tax and administrative field, while reserving the right to request said Supplier documentary evidence of the timely and proper implementation of these legal obligations both by the Supplier and by any of his sub-contractors/sub-suppliers.
- 19.2 The Supplier shall also bear, specifically, all financial, contribution, social security and insurance charges and those of any other kind, in accordance with current applicable laws, rules and regulations.
- 19.3 The Supplier also undertakes to comply with the provisions of Legislative Decree 81/08 on occupational health and safety. In particular, where the supply of Goods and/or Services would involve any interference pursuant to article 26 of the above mentioned Decree, Pfizer shall draw up the DUVRI (Documento unico per la valutazione rischi da interferenze [Unified text on the assessment of risk from interference]) which must be understood as an integral part of the Order and which shows the relative costs for safety. If there is no interference, any costs for safety shall instead be quantified in the estimate provided to Pfizer by the Supplier.
- 19.4 All staff used for any performance referred to under this Order shall operate under the Supplier's full responsibility, management and supervision and in accordance with current applicable laws. To no effect shall persons be considered as Company employees if the Supplier makes use of their work for the purpose of performing the Order, meaning that the Company is a complete outsider with regard to every and any relationship between said Supplier and the above mentioned persons, including the staff of any sub-contractors and sub-suppliers. As a result, the Supplier undertakes to hold the Company harmless against any claims that may be brought against it, under any title, by persons employed to perform the task. In particular, without prejudice to the provisions of article 29 of Legislative Decree 276/2003, the Supplier undertakes to hold harmless, and in any case to reimburse and/or indemnify Pfizer, with regard to any claims and/or damage and/or lawsuit, having an economic content or effect and sustained by Pfizer vis-à-vis any non-fulfillment by the Supplier and/or any sub-contractors and/or self-employed persons when performing this Order in all its parts. As an example but not limited only to it, the following are considered to be included: any damage for which the worker was not indemnified by INAIL (Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro e le Malattie Professionali [National Institution for Insurance against Accidents at Work]), or for which INAIL has claimed compensation from Pfizer; direct or indirect damages resulting from the interruption of activities covered by this Order as a result of suspensive measures of business activities which may be ordered by the Labor Inspectorate and/or by the ASL (Azienda Sanitaria Locale [Local Healthcare Authority]) in accordance with article 14 of Legislative Decree 81/2008

and subsequent amendments and supplements; differences in workers' compensation claims for failure to make, in whole or in part, remuneration, contributory, insurance and pension payments due under applicable rules to the Supplier's staff and of any relative sub-contractors, in every respect (for the latter case the parties agree that the Supplier's obligation to indemnify shall survive the termination of works covered by this Order for a period of two years), any amounts requested from Pfizer as withholding agent due to the non-payment of the latter by the Supplier, etc.

**19.5** It shall finally be incumbent upon the Supplier to comply with regulations on the use and control of goods, equipment, dangerous equipment (harmful to humans and for the environment) and more generally in the fields of the environment and of anything else which could in any case affect the performance of the Order from time to time. In particular, there must be compliance and others made to comply with all provisions prescribed by regulations regarding the transportation and/or disposal of waste and/or scrap pursuant to Decree of the President of the Republic no. 915 dated 09/10/1982, Decree of the President of the Republic no. 691 dated 08/23/1982, Law dated 11/09/1988 no. 475, Decree-law dated 11/08/1995 no. 463, Legislative Decree dated 02/05/1997 no. 22 and subsequent amendments and supplements, and, where possible, the requirements mentioned in the standard UNI EN ISO 14001, besides the provisions of Legislative Decree dated 07/25/2005, no. 151.

## **20 Termination**

**20.1** Pfizer expressly reserves the right to terminate, in whole or in part, the Order by giving notice by registered letter with return notice of receipt and without any prior formal notice to comply in accordance with art. 1456 of the Italian Civil Code in the following cases:

- any of the Supplier's non-fulfillment with respect to the statements, warranties and obligations contained in these Conditions;
- failure to comply with the terms or a supply of Goods and/or Services which is inconsistent with the specifications contained in the Order;
- failure to comply with the provisions of article 24 "Compliance with the Organizational Model and the Company's Codes of Ethics" and article 25 on "*International Anti-Corruption and Anti-Bribery Principles*".

**20.2** In case of termination it shall be solely and exclusively incumbent on the Supplier to pay for what has been performed (supplied) and accepted by Pfizer, so that the Supplier could not make any demands for compensation for damages, loss or income foregone.

**20.3** Pfizer's right to compensation for any damages which might arise from any non-fulfillment mentioned above however holds firm.

**20.4** Termination of Order for any reason whatever shall not affect the operation of those provisions of the Conditions which are to be deemed as being effective even after termination.

**20.5** The termination does not restrict Pfizer's right to apply penalties or any other reimbursement, to enforce performance warranties and to exercise any other rights at the proper time.

## **21 Withdrawal**

**21.1** Pfizer is entitled, at its sole discretion, to cancel and/or withdraw from the Order at any time with immediate effect, by giving written notice to the Supplier given that when using this option no compensation or reimbursement might be requested from him in the following cases:

- If the Supplier declares a winding up;
- If the Supplier appears to be unable to carry out promptly, normally and regularly his obligations or is subject to complaints or enforcement proceedings, whether on movable or immovable property, by third parties;

- If the Supplier suspends payments to his employees;
  - if a director, executive officer or, in any case, an important person from the Supplier's manufacturing chain was condemned, even if only at first instance, for crimes against the Public Administration or for offences relating to mafia-type criminal organizations, so however called, in addition to corporate and/or financial crimes concerning related laws;
  - if there is an alteration in the Supplier's corporate control chain.
- 21.2** In addition to the cases mentioned above, the Supplier acknowledges that Pfizer has the right to cancel the Order and/or withdraw therefrom, at its sole discretion, pursuant to art. 1373 of the Italian Civil Code, at any time, with advance notice of 30 days, after giving written notice to the Supplier, given that when using this option no compensation or reimbursement might be requested from him whatsoever.
- 21.3** The Supplier shall be entitled to payment of only part of the Order which has been carried out until the effective date of the withdrawal according to the prices agreed between the parties and/or specified in the said Order.
- 21.4** Withdrawal does not restrict Pfizer's right to apply penalties or any other reimbursement, to enforce performance warranties and to exercise any other rights at the proper time.

## **22 Confidentiality**

- 22.1** The Supplier undertakes, in his own name and on behalf of his employees and any sub-contractor and/or sub-supplier collaborators, not to disclose or use in any manner, in any form or by any means, news, information and documents disclosed and/or made available to it by Pfizer and/or processed by the Supplier, besides any information concerning Pfizer's general activities and those of parent companies, subsidiaries and affiliates. With the exception of information for which Pfizer's express written consent would previously have been given or those which would have become public knowledge.
- 22.2** The obligations of secrecy and confidentiality shall be binding on the Supplier for the whole duration of the Order and up to when it has become public knowledge.
- 22.3** The Supplier undertakes not to give any publicity to this Order without the Company's prior written consent.

## **23 Processing of personal data**

- 23.1** The parties mutually acknowledge that they will not process personal data belonging to the other party except to fulfill contractual and billing obligations. Therefore, each party shall remain sole legal owner of the processed personal data. Where the Supplier, owing to the details of the requested activities, must process personal data in the name and on behalf of Pfizer, this should be done in compliance with Legislative Decree 196/2003 and the specific instructions and directions provided by Pfizer.

## **24 Compliance with the Organizational Model and the Company's Codes of Ethics**

- 24.1** The Supplier furthermore declares that he is aware of the Organizational, Management and Control Model adopted by Pfizer pursuant to Legislative Decree dated June 8, 2001 no. 231, the Company Code of Ethics, which forms part thereof (hereinafter cumulatively referred to as the "Model"), besides the "Ethics and Business" Code and the Regulatory System contained therein (hereinafter referred to as the "Regulatory System") - all of which are available on the Company's website at <http://www.pfizer.it> - and to undertake, in carrying out this Order, to comply with and ensure compliance with its provisions, insofar as applicable to it.

**24.2** The Parties agree that non-compliance with the obligations referred to in article 24.1 above shall constitute a breach of contract, sanctioned under the Model and, specifically, by the Regulatory System, which provides, among other things, for contractual penalties resulting from such breach and ranging from notice to comply accurately with the Model to immediate termination of the Order.

**25** *International Anti-Corruption and Anti-Bribery Principles*

**25.1** By signing the Order and carrying out the activities covered by it, the Supplier:

- states and warrants that it is authorized under current applicable law to supply the Goods and/or Services covered by this Order, and, to the best of his knowledge there are no regulations or other obligations prohibiting the provision of such Goods and/or Services;
- states that he never, directly or indirectly, offered and/or paid and/or authorized to offer and/or to pay any money or other benefits to public officials and/or public servants in an attempt to influence any public official or any other person so that Pfizer might improperly obtain any unlawful business advantage, and that he has not accepted and shall not accept in future such payments;
- states that he has received a copy of Pfizer's International Principles relating to Anti-Corruption and Bribery and that, to the best of his ability, that he has communicated these principles to all persons acting on its behalf with regard to the activities carried out for Pfizer;
- he also undertakes to include in contracts which he may conclude with any third parties (e.g. agents, consultants or sub-contractors/sub-suppliers) for the purpose of carrying out the activities mentioned in this Order, the anti-corruption measures laid down in these Conditions, while providing them with copies at Pfizer's request, and to forward to them the anti-corruption principles referred to in this article;
- states that all information provided to Pfizer in connection with any due diligence made on anti-corruption by Pfizer is complete, true and correct and the Supplier undertakes to inform Pfizer if the answers in the due diligence questionnaire which was sent may alter in the course of the Order being carried out with respect to the said counter-party or to any person identified in the due diligence questionnaire or to that person's family members, as defined therein;
- he shall provide true and complete supporting documentation, in reasonable detail, about the work he has undertaken and any costs incurred, (ii) he shall retain invoices, accounts, statements, books and other true, accurate and complete documents, and (iii) he warrants that he will obtain the preparatory written permission written from Pfizer about any extraordinary expenses.

**25.2** The parties agree that the falsity of the statements referred to in the preceding article 25.1 of this clause shall constitute breach of contract, sanctioned under the Model and, specifically, by the Regulatory System, which provides, among other things, for contractual penalties resulting from such breach and ranging from notice to comply accurately with the Model to immediate termination of the Order.

**26** **Auditing**

**26.1** Pfizer has the right, from time to time and without any opposition from the Supplier, to make the Audits it deems appropriate in connection with the carrying out of the Order, in order to verify the absolute adherence and compliance, by the Supplier, with the Model besides with the "Ethics and Business" Code.

- 26.2 Pfizer may carry out Auditing activities: periodically; without prior notice; during normal business hours; by requesting documents or by making inspections, even at the premises of the Supplier; through its own staff or specifically appointed consultants.
- 26.3 In the course of such Auditing activities, the Supplier shall be required to provide full and unconditional cooperation, by providing Pfizer with all the necessary support, besides all documents and information which relate to carrying out the Order requested by Pfizer, except only for such documents and/or information which are private and confidential, and/or relating to trade secrets and/or intellectual property rights pertaining to the Supplier or to third parties.
- 26.4 In the event that the outcome of such Auditing activities reveals infringements of the prescriptions contained in the Model or in the Codes and/or the improper carrying out of the same requirements, the provisions of art. 24.2 above shall apply.
- 26.5 In no event, in any case, may the Supplier justify its non-fulfillment and/or delay in its fulfillment by virtue of the Auditing activity conducted by Pfizer.
- 26.6 Pfizer may carry out the above mentioned Auditing for the whole duration of the Order and in the three years following the last payment made according to the Order.

## 27 **Applicable law and exclusive jurisdiction**

- 27.1 These Conditions and individual Orders are governed by Italian law. Application of the Vienna Convention on the international sales of goods is expressly excluded.
- 27.2 Incoterms shall apply only where expressly mentioned in the Order.
- 27.3 Any possible dispute which may arise between the parties regarding the interpretation and/or performance, and/or termination of the Order, shall lie within the exclusive jurisdiction of the Court of Rome.

## 28 **Communications**

- 28.1 Communications sent to Pfizer should be addressed to the person issuing the Order.
- 28.2 Communications sent to the Supplier shall instead be forwarded to his address as stated in the Order confirmation. The above mentioned addresses can be altered by means of e-mail communication to the other party.
- 28.3 Communications must be made in writing by registered letter with return notice of receipt.

**With respect to this Order and to the attached general purchase conditions forming an integral and substantial part thereof, we state that we approve and accept them expressly and unreservedly**

**Stamp Date and Supplier's signature**

With respect to this Order and pursuant to and for the effects of art. 1341, second paragraph, of the Italian Civil Code, we declare that we are fully aware and that we specifically approve the following clauses contained in the "General Purchase Conditions" as mentioned hereunder: 1 (Recitals); 2 (Order); 6 (Delivery, legal ownership and risk); 7 (Checks and testing of Goods); 9

(Prices); 10 (Billing and Payment); 11 (Warranty); 12 (Liability and Insurance); 13 (Alterations to the supply); 14 (Force majeure); 16 (Ban on Sub-supplies and Sub-contracting – Assignment of the Order); 17 (Ban of credit transfer); 18 (Penalties and other warranties) 19 (Observance of environmental and occupational safety laws, rules and regulations); 20 (Termination); 21 (Withdrawal); 26 (Auditing); 27 (Applicable law and exclusive jurisdiction).

**Stamp Date and Supplier's signature**