

## New Account – Opening Order Policy

A required component of enrolling new Pirelli Performance Program Dealers is the submission of a 24 unit opening order, as required under Section 1(d) of the Pirelli Performance Program Authorized Associate Dealer Standard Terms and Conditions (“Standard Terms and Conditions”). In order to encourage the introduction of new enrollments to the Pirelli Performance Program for Associate Dealers, the following procedure shall be followed for the processing of opening orders for new dealers, without prejudice to the full terms of the Standard Terms and Conditions and the Pirelli Performance Program Agreement referred to therein:

- All applications are subject to acceptance by Pirelli prior to enrollment
- Upon determination by Pirelli that the dealer meets criteria for program participation, the dealer will be granted a probationary enrollment on the program
  - Dealer will be assigned an account number (SAP Code) and will also be given limited access to the B2Bportal designated by Pirelli.
- The dealer will have a period of 30 days from the date of Pirelli’s acceptance of the dealer’s application to purchase a minimum of 24 units of Eligible Products
  - The dealer will receive a courtesy reminder email at 15 days from the date of Pirelli’s acceptance of the dealer’s application (in the event they have not yet reached 24 units,) and again within 10 days of the end of the probationary period (it being understood that a dealer’s failure to receive such email will not affect Pirelli’s right to rescind a probationary enrollment)
  - In the event the 24 units Opening Order is not achieved within 30 days of Pirelli’s acceptance of the dealer’s application, the probationary enrollment will be rescinded, and the dealer will be notified that they are not eligible to participate in the program
  - The primary Pirelli Performance Authorized Distributor will receive an update with a status of all probationary enrollments
- Once the 24 units objective is achieved, the dealer will be granted full enrollment in the Pirelli Performance Program, as set forth in the Pirelli Performance Program Agreement
  - Dealer will be given full access to the dealer portal
  - Dealer will be eligible for rewards payouts under the terms of the Pirelli Performance Program for Associate Dealers
  - The primary Pirelli Performance Program authorized distributor will be notified that the dealer is officially enrolled

Also, please note the following important notes regarding program rewards:

- New dealers must purchase 24 units of Eligible Products within 30 days of Pirelli’s acceptance of the dealer’s application in order to qualify for any program rewards payouts
- New dealers are eligible for dealer promotions during the probationary period, but must achieve at least the 24 units/30 days purchase requirement in order to receive payment for promotional rewards payouts
- All rewards payouts will be issued in accordance with the Standard Terms and Conditions and reward schedule described therein and shall be issued as described in the Standard Terms and Conditions.
- The initial quarterly rewards will be calculated and paid using the unit totals for Eligible Products purchased in the quarter in which the dealer achieves the initial minimum 24 units.
  - A dealer that enrolls in the new Pirelli Performance Program but fails to qualify to remain in the program will, solely during the first calendar year of their application for enrollment, still be paid-out according to the level/bracket achieved described in Section 3(d) of the Standard Terms and Conditions even if purchasing less than the minimum required to stay in the program (e.g., if such dealers buy only one (1) tire during such first calendar year). In addition to payments according to the level/bracket achieved described in Section 3(d) of the Standard Terms and Conditions, Pirelli may in its sole discretion offer Associate dealers deemed eligible additional marketing or other incentives according to the level/bracket achieved.
  - In order to continue as part of the Pirelli Performance Program starting from the second calendar year of their participation in the new Pirelli Performance Program, Dealers must achieve at least Level 1 volumes as described in Section 3(d) of the Standard Terms and Conditions, with Minimum Quarter Requirement of 50 units and minimum annual requirement of 200 units.
  - Every quarter stand along with Cash rewards Payouts accrued and paid quarterly according to the level/bracket volumes achieved as of the last day of the preceding quarter.
  - Dealers are allowed to catch up during the calendar year, such dealer will be entitled to receive additional payments so that the total payout calculated on an annual basis reflects the tire payout amount of the level reached at the end of such calendar year, as described in Section 3(d) of the Standard Terms and Conditions.
  - Eligible units are calculated considering all Pirelli Passenger Car and Light Truck products, 100% of Pirelli Performance Program Primary Authorized Distributor units purchases and up to 25% of total eligible units from the secondary Pirelli Performance Program Authorize Distributor.