

# GENERAL TERMS AND CONDITIONS OF PURCHASE



## Object

The "General Terms and Conditions of Purchase" defines the general provisions which governs the relationship between Michelin and the Supplier, and completes the Agreement or the Order.

## Domain and perimeter

The General Terms and Conditions of Purchase apply to all purchase for any company affiliated to the Michelin Group. These provisions can be completed or modified by the "Set of General Conditions – General Provisions and Specific Provisions" as defined in the Agreement or the Order.

## Document access

All documents shall be available on the site: <http://en.purchasing.michelin.com/>

# GENERAL TERMS AND CONDITIONS OF PURCHASE

**1** - The provisions of these these General Terms and Conditions of Purchase are subject to negotiations with the Supplier and changes resulting therefrom will be included in the special conditions of the Contract or Order; the execution of the Contract or the Order by the Supplier implies that the Order and these General Terms and Conditions of Purchase have been accepted. The Supplier undertakes always to respect existing legal and regulatory prescriptions, as well as the Michelin Purchasing Code. This commitment comes within the framework of the "Michelin Performance and Responsibility" approach with which the Supplier declares to be in compliance. These documents are available on the following site: <http://en.purchasing.michelin.com/>. The Supplier declares having read and comply with.

**2** - The stipulated prices are fixed and not subject to review, they cover all charges generated by the Supplier, including the packaging required for dispatch to the destination stated on the Contract or the Order, under the standard conditions relating to protection, safety and handling. Except otherwise stipulated on the Contract or the Order, the delivery is stipulated « delivery at final stipulated destination », customs clearance included

**3 - Michelin SHALL DISCLAIM ALL RESERVATION OF OWNERSHIP CLAUSES.**

**4** - The Supplier declares and warrants that he is granted all necessary intellectual property rights from the owners and among them but not limited to the copyright owners in order to deliver, pursuant to the Contract or the Order, the Supply on a worldwide basis. Any document provided or sent by Michelin to the Supplier is and shall remain the sole property of Michelin. It shall not be copied, reproduced or communicated without Michelin's prior written agreement, and can only be used for Michelin's benefit. It shall be returned after use. The Supplier shall remain bound by a general confidentiality obligation towards Michelin. Any exchange of information, even of a verbal nature, is confidential. The Supplier shall, in case of use of personal data during the execution of the Agreement or the Order, to comply with its obligations under the Law.

**5** - The address, the destination and the Michelin Order number must be shown on all of the packages or goods items.

**6** - Two delivery slips must be provided which must state the Michelin reference (Order No.) and state, as well as the delivery details, the number of corresponding packages or bulk goods, as well as the weight and measurements. The first shall be placed on the outside of the package in a sachet or under the address label, the second shall state the actual dispatch date of the goods and shall be sent to Michelin receiving department.

**7** - When possible, only one order should be placed in each case, package or batch.

**8** - The Supplier must provide all the documents and information detailed necessary to the customs formalities such as customs codes complete certificates of origin, evidence of the origin.

**9** - For supplies listed in ADR, the Supplier must join a Safety Data Card written in English and French.

**10** - The delivery deadlines are vital and imply. Except in case of force majeure, and without notification, Michelin shall be entitled to apply penalties for delay calculated on the price after tax equal to 0.40 % of the total amount of the Contract or the Order, per calendar day late, in a limit of 10 % of the Contract or the

Order total. In the event that no action is presented for 10 days after a formal notification is provided and a period of 25-days elapses, Michelin may rescind the Contract or the Order unilaterally and ipso jure.

**11** - The Supplier applies the procedures of respect of quality necessary to the realization of the Supply and carries out with his expenses the self-checking of the quality of his supplies.

**12** - The Supplier must comply with all applicable environmental laws and regulations. The Supply, goods and packaging, shall not contain any asbestos, neither products, materials or substances prohibited by laws and regulations, in particular those in force in the supplier's own country, in France, in the European Union or in any countries where Michelin sells and distributes products.

**13** - All Goods are guaranteed by the Supplier strictly in accordance with the Contract or the Order for use according to the standard conditions for use. Goods shall be guaranteed for parts and labour, for at least one year from the date of acceptance or any other date which has been agreed upon. During the guarantee, the Supplier shall be liable for repairs or replacements, without any expense for Michelin, of any faulty parts and for reimbursement of all expenses unnecessarily incurred by Michelin. The Supplier shall bear the costs of its personnel's travel and accommodation.. In the event of non-compliance, the Supplier shall undertake to take back and replace the goods as soon as possible.

The Supplier warrants that; for its part, from manufacturing to delivery, it acts in accordance with the SAFE rules, has the status of Authorized Economic Operator or equivalent and commits to justify at the Customer's first request.

**14** - Except in case of mandatory laws and regulations providing otherwise, bills are settled according to the terms and methods of payment stated on the Contract or the Order and in default at 90 days end of month invoicing date. Every bill shall state the order references and must be sent to the billing address stated on the Contract or the Order, and must reach us before the 5th of the month following the goods or services delivery date. Failing this, the payment deadline will not begin until the following month.

**15** - Michelin shall not be held liable for any delay in the payment of transferred debts when late information does not allow for the payment order to be changed.

**16** - The Supplier authorizes Michelin with respect to all undisputed debts due and payable to Michelin, to operate compensation between the sums which would be due by Michelin to the Supplier and those whatever fallen or not fallen which would be due by the Supplier to Michelin.

**17** - The Contract or the Order are submitted to the law as defined by the Rome Convention, June 19. 1980, article 3. Any disputes concerning the interpretation, validity, performance or non-performance, or problems of the Contract, which could not be resolved by the Parties within sixty (60) days of notification of the subject matter of disputes by one Party to the other, will be submitted to the mediation of customer-supplier relationships mediator. This mediation process will be sponsored by the Quality Manager of the Purchasing Department of Michelin Group. In the event that such mediation fails, the matter shall be brought by either Party exclusively before the court of the jurisdiction as defined by Rule (EC) n°44/2001 of Counsel, 2000, December, 22, articles 2 and 5.