



***MICHELIN GROUP PRESCRIPTIONS TO  
SUPPLIERS - TRADE RESTRICTIONS***

***15.03.2021***

***OPERATIONAL PURCHASING DIRECTION***

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## **1. INTRODUCTION**

The purpose of the Michelin Group Prescriptions to Suppliers (Trade Restrictions) (hereafter “Michelin Prescriptions”) is to set forth the minimum requirements regarding compliance with (i) laws and regulations related to Trade Restrictions and (ii) Michelin Positions that any service or product provider/supplier (the "Supplier") shall adhere to and comply with (i) in order to be down selected and (ii) when delivering any Product or Service to Michelin.

The Michelin Prescriptions will be made available at <https://purchasing.michelin.com/en/document-area/> and/or on Supplier's written request to Michelin.

The Supplier acknowledges that Michelin may modify, at its discretion, from time to time the Michelin Prescriptions so that they can evolve consistently with Michelin's requirements and agrees to be bound by the terms of the Michelin Prescriptions as modified, provided that Michelin notifies and provides to the Supplier the new version (such notification being made by any means at Michelin's discretion as long as it is a push information such as website, emails, etc...) at least sixty (60) days prior to such Michelin Prescriptions effective date. For the avoidance of doubt, any reiteration by Michelin of applicable local Laws shall not be construed as a Michelin's modification to the Michelin Prescriptions.

The new version of the concerned Michelin Prescriptions will be deemed accepted on the effective date of the new version of the concerned Michelin Prescriptions.

If the Supplier demonstrates that the modifications of the Michelin Prescriptions have a material adverse impact on the Supplier for its performance of the Services, then the Supplier shall notify Michelin before the effective date of the modification. In such case Michelin may, at its sole discretion, either (i) withdraw the application of such update to the Agreement in which case the previous version of the Michelin Prescriptions will apply to the Agreement, or (ii) pronounce termination the Agreement as of right (“de plein droit”) before the effective date of the new version of the concerned Michelin Prescriptions.

## 2. DEFINITIONS

- **Controlled Products and Services:** Products and Services positively listed as dual usage or military as per an applicable Export Controls Regulations and therefore subject to export controls obligations (including but not limited to: export licensing, prior authorization, reporting obligations or record-keeping requirements) administered and enforced by applicable government, administration, agency or international body.
- **Export Controls Regulations:** they are part of Trade Restrictions. They are all applicable laws and regulations regarding the sale, resale, purchase, transfer, export, reexport of controlled Product(s) and/or Service(s). They may include notably but without limitation : export/import control laws and regulations of the European Union, including the European Union Regulation 428/2009 controlling dual use items, regulations of the U.S. such as Export Administration Regulations ("EAR") issued by the U.S. Department of Commerce, and the International Traffic in Arms Regulations issued by the U.S. Department of State, and other, or regulations of other countries as may be applicable.
- **Michelin Positions :** decisions taken by Michelin that may contain more restrictive positions than the Trade Restrictions for the purchase of Product(s) and/or Service(s) and which are based on commercial considerations and other compliance concerns including but not limited to money laundering, corruption, and financing of terrorism. These Michelin Positions apply to the Product(s) and/or Service(s) directly or indirectly purchased from the Supplier. As of November 2020, the list of countries from which Michelin refuses and prohibits any direct or indirect purchases is as follows: Cuba, Iran, North Korea, Syria. This list is subject to changes during the relationship and Michelin reserves the right to regularly notify such changes to the Supplier.
- **Restricted Persons or Sanctioned Parties :** any individual, entity or body either:
  - (i) specifically designated or listed under applicable Trade Restrictions (including but not limited to, for instance, those listed in the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions and those designated on the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") List of Specially Designated Nationals and Blocked Persons, the OFAC Sanctions Evaders List, the U.S. State Department Non-proliferation Sanctions Lists, the U.S. Department of Commerce Denied Parties List, Entity List or Unverified List, or the United Nations Financial Sanctions Lists, as well as any other list that may arise);
  - (ii) owned or controlled by any person specifically designated or listed under Trade Restrictions; or,
  - (iii) acting for or on behalf of any person specifically designated or listed under Trade Restrictions.
- **Trade and Economic Sanctions:** they are part of Trade Restrictions. They are all applicable laws and regulations with regard the sale, resale, purchase, transfer, export, reexport of whole or part of Product(s) and/or Service(s). They include but are not limited to embargoes and Restricted Persons lists or Sanctioned Parties lists. They may include notably but without limitation Embargo and Sanction Regulations issued by the U.S. Department of Treasury, and other lists of

Sanctioned Parties (see definition of Restricted Persons or Sanctioned Parties for more examples).

- **Trade Restrictions:** all applicable laws and regulations with regard the sale, resale, purchase, transfer, export, reexport of whole or part of Product(s) and/or Service(s). They include but are not limited to : Trade and Economic Sanctions (including embargoes and Restricted Persons lists or Sanctioned Parties lists) and Export Controls Regulations (military and dual use regulations). For the avoidance of doubt, all applicable laws and regulations could include those originating out of the United Nations, the European Union, the OSCE, or the United States of America.

### **3. COMPLIANCE WITH TRADE RESTRICTIONS AND MICHELIN POSITIONS**

As a general principle,

- Supplier shall comply, without any possible exception of any kind, with (i) applicable Trade Restrictions and (ii) Michelin Positions.
- Supplier represents and warrants that neither it, nor any of its shareholders, directors, officers, employees, companies of its group (including directors and officers of such companies) or other affiliates are Restricted Persons. Supplier shall immediately notify Michelin if (i) the status of any above listed persons changes, (ii) Supplier is aware or has reasonable cause to suspect that any of the above listed persons may become a Restricted Person and/or (iii) a change to Supplier's status (including, but not limited to, change of control, merger, acquisition, or sale of assets), has a potential impact on the provision of whole or part of any Products or Services to Michelin. Parties shall then discuss in good faith the appropriate consequences with regard the Agreement.
- In case a non-compliance with (i) applicable Trade Restrictions and/or (ii) Michelin Positions by Supplier has an impact on the provision, deployment, or use of whole or part of any Products or Services, Supplier will be responsible for providing remedial measures and/or financial compensations of damages caused to Michelin by this non-compliance.

### **4. CONTROLLED PRODUCTS AND SERVICES**

#### **Principle of avoidance of Controlled Products and Services**

Any Supplier is prohibited from proposing and/or supplying Michelin with any Controlled Product or Service (including, raw materials, industrial purchases and energy, technology/software and services).

If Supplier does not duly object against this principle, any Product or Service shall be deemed non-Controlled (such as EAR99 or local equivalent).

In case the technical specifications requested by Michelin render compulsory the provision of a Controlled Product or Service, the below paragraph shall apply.

## **Obligations of the Supplier in case a Controlled Product and Service is provided**

If the provision of a Controlled Product or Service cannot be avoided, the following will apply:

- The authorization to provide controlled Products and Services must be granted the prior written consent of Michelin's "Export Control Officer" through Michelin Purchasing Department.
- The Supplier must duly (i) complete and proactively update if needed the Michelin Export Control Classification Declaration (ECCD) form in Annex 1 concerning the Product(s) and/or Service(s) concerned and guarantee their accuracy either as part of the commercial proposal documentation or prior to the supply of the Product(s) and/or Service(s) and during the entire relationship if needed (ex: modifications) and (ii) provide assistance to Michelin as reasonably required for obtaining license, authorization, consent and/or approval or making any appropriate notification in compliance with applicable Export Controls Regulations. For the avoidance of doubt, the information provided on commercial documents or invoices, cannot replace the prior fulfillment of the ECCD information below.

In case a modification of the Export Control Regulations affects the classification of the Product or Service, or the consequences of this classification (e.g. additional licence requirement) and has an impact on the provision, deployment, or use of whole or part of any Products or Services, Parties shall then discuss in good faith the appropriate consequences with regard the Agreement.

## ANNEX N°1 CONTROLLED ITEM INFORMATION -ECCD

Item here means Product or Service

Type of information	Detailed data	Information filled by the Supplier
Supplier data	Legal Name of Supplier Address of Supplier Name and function of person filling this document	
Accurate code of each Item	Part Number, Item code as will appear on invoices	
Accurate commercial name of each Item		
Country(ies) of manufacturing or last transformation of each Item		
Customs code of each Item	SH6 at a minimum	
Info regarding Controlled Items if subject to US jurisdiction  Note : can concern non-US suppliers ( <i>de minimis</i> rules)	Is Item subject to US jurisdiction ? Y/N If No, go to next line If Yes, <ul style="list-style-type: none"> <li>provide relevant Regulation (ITAR / EAR, Other (precise which))</li> <li>provide relevant ECCN (e.g. EAR 5A992, ....)</li> <li>provide applicable license exemption (if any)</li> </ul>	
Info regarding items Controlled by the jurisdiction of the Country of manufacturing or last transformation of each Item	Is Item controlled by the jurisdiction of the country of manufacturing or last transformation ? Y/N If No, go to next line If Yes, <ul style="list-style-type: none"> <li>Precise which country has jurisdiction on the Item</li> <li>provide relevant Regulation (National Military list, Dual Use Regulation such as EU Regulation 428/2009 or local relevant equivalent, Other (precise which))</li> <li>Provide relevant ECCN (e.g., DU 2B350 or other)</li> </ul>	
Info regarding items Controlled by the jurisdiction of the country of delivery of purchased Item	Is Item controlled by the jurisdiction of the country of delivery ? Y/N If No, stop filling here If Yes, <ul style="list-style-type: none"> <li>Precise which country has jurisdiction on the Item</li> <li>provide relevant Regulation (National Military list, Dual Use Regulation such as EU Regulation 428/2009 or local relevant equivalent, Other (precise which))</li> <li>Provide relevant ECCN (e.g., DU 2B350 or other)</li> </ul>	