

*GENERAL TERMS AND CONDITIONS FOR
PURCHASING*

AS OF: JUNE 2019



For contracts and orders of Michelin Reifenwerke AG & Co. KGaA and for all other Michelin companies affiliated in the sense of stock corporation law with registered office in Germany, unless these are based on separate general terms and conditions for the legal transaction, the following terms and conditions apply exclusively, unless otherwise agreed in writing. They shall apply, in particular, in case of differing general terms and conditions of sale from Supplier, even if they have not been explicitly contradicted individually.

In addition to the General Terms and Conditions for Purchasing, our General Terms and Conditions for Contracts for Work, Services, Construction, and Cleaning as well as the PURCHASING PRINCIPLES OF MICHELIN and the GUIDELINE FOR SUPPLIERS ON INVOICING, which are known by Supplier, shall apply. These conditions can be consulted on <http://en.purchasing.michelin.com/Space-documents> or provided upon request.

1. GENERAL INFORMATION, CONCLUSION OF CONTRACTS

- 1.1. Suppliers' quotations shall be free of charge for us.
- 1.2. An order from us is always an acceptance of Supplier's offer. Orders, agreements as well as addenda and amendments are only binding if they are communicated or confirmed by us in writing. An order confirmation from Supplier is not required and will not be accepted by us. The contract becomes effective with receipt of the acceptance without order confirmation by Supplier, unless Supplier contradicts within 5 days starting from receipt exclusively via e-mail to: einkauf.zentral@michelin.com (hereafter referred to as „contradiction mail“).
- 1.3. In case of deviations from the contractual obligations, Supplier informs us immediately about deviating delivery date and/or delivery volume, price, etc. The information is provided exclusively via e-mail to: einkauf.zentral@michelin.com (hereafter referred to as „information mail“).
- 1.4. In case of No. 1.3. we shall have a right of withdrawal. This right will be exercised within 5 days after receipt of the information mail via e-mail. The same applies in the event of a deviation from the contractual services for delivery without information mail. The period runs from delivery. Returns are made at the expense of Supplier.

2. DELIVERY OF GOODS

- 2.1. Unless otherwise stipulated or agreed by us, all deliveries shall be made at Supplier's risk ex works, which is named as the destination/receiving point (DAP, Incoterms® 2010). Supplier shall choose the most cost-effective forwarding alternative.
- 2.2. Each shipment shall be marked with our address and order number / call-off order number. If the order number / call-off order number is not available, the shipment shall be marked with the name of the contact person and their personnel number.
- 2.3. A single copy of the delivery note, at least containing the following information, must be included with the goods:
 - our complete order number / call-off order number, or if not available, the name of the contact person and their personnel number;
 - description of the goods;
 - net and gross weights of the goods;
 - the quantity delivered in unit of measurement as ordered.
- 2.4. If Supplier is not able to meet the required deadlines, the statutory provisions shall apply to the legal consequences.
- 2.5. Advance or partial deliveries/services require our prior consent.
- 2.6. If Supplier does not fulfil its delivery obligation on time, we reserve the right to assert a penalty of 0.2 % of the agreed price per working day for each day by which the delivery date is exceeded, up to a maximum of 5 % of the agreed total price, unless Supplier is not responsible for the delay.
- 2.7. We assume that Supplier has a comprehensive knowledge of the possible dangers of its goods during transport, packaging, storage etc. For this reason, Supplier shall check as to whether the

ordered goods or their components have to be classified as dangerous goods before carrying out the order. In these cases, Supplier shall immediately and comprehensively notify us. Immediately after receipt of the order and call-off, Supplier shall send us the necessary binding declarations, completed correctly and with a legally binding signature.

- 2.8. The delivery of chemical substances and preparations shall be made in accordance with the applicable legislation, in particular REACH and the GHS/CLP Directive. Prior to the first delivery, Supplier shall provide us with a current safety datasheet, with explosion scenario if applicable, as defined in Annex II of the REACH Directive, in German and other languages if requested, to msds-germany@michelin.com.

If there are significant changes, the safety datasheet shall immediately be revised by Supplier, stating the date of the update, and sent to us. The safety datasheet shall be updated every 5 years at the latest.

Supplier of products/articles shall inform us immediately if a product/article supplied by him contains more than 0.1 % of its mass one or several substances of annex XIV of the REACH Regulation or the ECHA candidate list (substances of very high concern).

- 2.9. Supplier undertakes not to use any products, materials or equipment containing one or more of the substances listed below, either in pure form or in combination with other products:
- Asbestos (neither chrysotile asbestos nor amphibole asbestos (anthophylloite, amositol, actinolithe, tremolit and crocydolihte and/ or carcinogento assesses artificial mineral fibre);
 - Fire-proof ceramic fibre (heat insulation, fire protection besides they are essential for example permanent temperatures over 1000 °C);
 - lead, especially lead cromate, lead sulphathe, basic lead carbonate (for example in colours);
 - pitch and tar;
 - trichloroethylene (degreaser);
 - benzol.
- 2.10. Supplier is responsible for all damage resulting from incorrect information in the binding declarations or which arise as a result of non-compliance with existing instructions when handling (packaging, shipment, storage etc.) dangerous goods and chemical substances and preparations.

3. PACKAGING

- 3.1. Supplier shall observe the principles of all relevant laws concerning the packaging of goods, notably the Packaging Directive, and shall deliver the goods in re-usable packaging whenever possible. If this is not possible, a recyclable package shall be used. Goods are to be packed in such a way that transit damage is avoided.
- 3.2. Supplier must take back his waste, packaging etc. in accordance with the statutory provisions on his own responsibility and free of charge for us, unless otherwise agreed in an individual contract. Supplier shall be liable for damages and shall bear the costs arising from non-compliance with these regulations.
- 3.3. All relevant valid national and international provisions concerning packaging, marking and declaration shall be considered.

4. INSPECTION, ACCEPTANCE

- 4.1. The goods shall only be accepted after inspection of the quantity, weight and quality. Confirmation of receipt given to carriers, rail or mail services shall not be considered as proof of order completeness and/or conformity with our order.
- 4.2. Goods not conforming to our order will be refused. They will be sent back freight forward to Supplier.

5. LIABILITY

- 5.1. Supplier shall be liable for the fault-free condition of deliveries or services, for the existence of guaranteed qualities and for guarantees given, that the delivery or service corresponds to the

intended purpose, the statutory requirements, notably the German Product Safety Act and the German Product Liability Act, that the product is free of faults and corresponds to the state of the art and the relevant regulations of authorities and professional associations (for example Accident Prevention Regulations and DIN Standards).

- 5.2. Supplier waives the right to object to late notification of defects, insofar as this does not involve obvious defects.
- 5.3. The warranty claim shall comprise either demand for correction or for replacement, at our discretion. If correction or replacement is impossible, unreasonable or unsuccessful, the rights of withdrawal, reduction or compensation for non-fulfilment shall remain unaffected.
- 5.4. In urgent cases or if Supplier does not fulfil its warranty obligations, we can take the necessary measures ourselves at Supplier's cost and risk and irrespective of Supplier's liability.
- 5.5. All costs connected with the liability, such as for dismantling, assembly, freight, packaging, insurance, customs and other public levies, audits and inspections, etc. shall be borne by Supplier.
- 5.6. Unless agreed otherwise in individual agreements, the warranty period shall expire two years after receipt of the delivery or, if applicable, after the acceptance process. The warranty shall restart after each replacement delivery for the replacement part.

6. COMPLIANCE WITH THE GERMAN MINIMUM WAGE LAW

Supplier assures and undertakes to strictly comply with the statutes and provisions of the German Minimum Wage Law (Mindestlohngesetz).

7. INDEMNIFICATION

Supplier shall indemnify us against any liability and claims for damages and events which are attributable to Supplier in connection with the execution of the contract. Supplier shall indemnify us against any claims made by third parties for the aforementioned damages and events.

8. INVOICING AND PAYMENT

- 8.1. A clear and auditable verifiable invoice for each delivery shall be sent to us to the invoice address stated on the order, on which our order / call-off order number and the address of the service recipient and, if applicable, the delivery note reference shall also be clearly stated. If there is no order/call-off order number, the name of the contact partner and their personnel number must be stated. If there is no invoice address on the order, Supplier shall receive it immediately upon request from his contact person. Our respectively current guideline for suppliers on invoicing shall apply. Losses resulting from incomplete information shall be borne by Supplier.
- 8.2. We reserve the right to return invoices, which do not correspond to the conditions of no. 1 above and the VAT requirements (§ 14 UStG), unpaid at Supplier's cost. In this case, the invoice shall be considered as not issued.
Supplier shall create and transmit electronic original invoices and credit notes (hereinafter referred to as "e-invoices") to us which comply with the legal requirements for e-invoices, in particular the UE Invoicing Directive 2010/45/UE and the Sales tax legislation. The e-invoices are to be prepared as pdf files and sent to a service provider commissioned by us. We notify Supplier of the address of the service provider and the archiving location. Supplier immediately notifies us of any changes.
- 8.3. Unless otherwise stipulated in individual agreements – the agreed prices are fixed prices. They include full costs and incidental costs which can arise concerning the performance of the contract.
- 8.4. If there are no special provisions in the order or agreement regarding the payment date, payment shall be made within 30 days with means of payment of our choice, notably by bank transfer. Consent to the direct debit procedure shall not be granted.

The payment terms start with receipt of the invoice, but not before receipt of the goods or acceptance of the services and, if documentation and test certificates are part of the agreement, not before these have been provided to us as required in the contract. The acceptance of the counter-performance shall be done no later than 15 days after receipt of the counter-performance.

- 8.5. Payment shall be made subject to an examination of the invoice by us.
- 8.6. Claims payable by us may only be assigned with our prior written consent. Supplier can only withhold deliveries or declare offsetting on the basis of counterclaims acknowledged by us or on the basis of legally upheld counterclaims. Deductions, such as credit notes that have not been expressly agreed, shall not be accepted.

9. COPYRIGHTS AND OTHER RIGHTS

- 9.1. The models, patterns, calculations, logos (word and design marks), texts, images, graphics, animations, videos, music, sounds and other materials physically or electronically provided by us within the framework of the order or contract are subject to copyright and other laws regarding the protection of intellectual property and are protected by copyright / trademark law in any case in full and in part.

The materials and other documents provided for the execution shall remain our property and may only be used for the contractually agreed purposes. We reserve all rights to them.

- 9.2. Supplier may neither otherwise use or reproduce the above materials or other documents, nor make them accessible to third parties. In case of loss, Michelin has to be informed immediately. They shall be returned to us free of charge after execution or if so demanded by us or must be destroyed by Supplier only following our prior written consent. Electronically transferred documents, materials or data shall be deleted, if applicable.
- 9.3. If relevant for the execution of the contract, Supplier undertakes to properly apply the applicable guidelines for the correct use of the trademarks of the Michelin group which are known to Supplier or provided by us upon request.

10. CONFIDENTIALITY

Supplier undertakes to treat as business secrets all commercial, operational and technical information which is not in the public domain and which becomes known to him through the business relationship. In the case of a secrecy obligation for Michelin, this does not extend to the transfer of information to the companies associated with us according to § 15 AktG (stock corporation law).

11. DATA PROTECTION

- 11.1. Michelin collects and processes personal data according to the principles and on the basis of the GDPR and the BDSG (German Federal Data Protection Law). Personal data that Michelin gets to know of in connection with the business relationship with the contractor will thus only be used for the specified purposes and for processing the contractual relationship.
- 11.2. Suppliers have a right to access, rectification, opposition, limitation of the processing and deletion of data concerning them and they may request the transfer of their personal data. If suppliers make use of these rights and wish to receive information about the data concerning them, they can contact the following responsible body, if the business partner is Michelin Reifenwerke AG & Co. KGaA: Michelin Reifenwerke AG & Co. KGaA, to the attention of the Data Protection Officer, Michelinstrasse 4, 76185 Karlsruhe, datenschutz@michelin.com. If another Michelin company is data controller within the meaning of the GDPR, please contact it at its business address or contact datenschutz@michelin.com. The right of appeal can be asserted with the Data Protection Commissioner of the State of Baden-Württemberg. Further information is available at: <https://www.baden-wuerttemberg.datenschutz.de/>
- 11.3. For the purpose of fulfilling the contract, MRW transmits personal data to its service providers and/or to the companies affiliated with it in the sense of stock corporation law (group companies). The transfer to a third country takes place exclusively on the basis of an appropriateness resolution of the EU Commission; the use of standard clauses in the respective service provider contracts; subject to appropriate guarantees (article 46 GDPR) or binding

internal data protection regulations (article 47 GDPR); an exception to the second subparagraph of Article 49 (1) GDPR (if the conditions of Articles 46 and 47 GDPR are not met); an individual approval of a supervisory authority. Supplier may request information on this and may contact the data protection officer of the company for this purpose.

Supplier shall create the same conditions in so far as a transfer to a third country takes place. For this purpose, Supplier shall inform Michelin on the basis of which of the above-mentioned regulations on the transfer of data takes place or if there is a change thereto in the course of the business relationship.

- 11.4. Personal data relating to Michelin or third parties which come to Supplier's knowledge in connection with the business relationship may only be processed and used to process the order and the related services and only on the basis of Article 6 paragraph 1 GDPR (or Article 9 GDPR). The data may not be passed on to third parties.
- 11.5. Supplier undertakes to take all technical and organisational measures necessary for data protection and data security. Supplier's employees shall be obliged to keep the data confidential because the relevant statutory provisions require that personal data be processed in such a way that the rights of the persons affected by the processing to the confidentiality and integrity of their data are protected. Supplier is therefore prohibited from unauthorised or unlawful processing of personal data obtained from the order or from intentionally or unintentionally violating the security of the processing in such a way as to lead to destruction, loss, alteration, unauthorised disclosure or unauthorised access.
- 11.6. If the contract also includes the processing of personal data, Supplier and Michelin shall sign an agreement for the processing of the contract within the meaning of Article 28 GDPR. Where Michelin and Supplier and/or other third parties jointly determine the purposes and the means of processing, they shall be jointly responsible within the meaning of Article 26 GDPR. They shall lay down in an agreement in a transparent form which of them fulfils which obligation under the GDPR, in particular as regards the exercise of the rights of the persons concerned and who fulfils which information obligations under articles 13 and 14 GDPR. If Supplier fulfils an activity on his own responsibility, he shall ensure that the principles of the GDPR are complied with.
- 11.7. Supplier undertakes in particular to comply with the documentation obligations pursuant to Article 24 para. 1 GDPR; to keep a processing list; to carry out a data protection impact assessment as far as necessary and to delete personal data promptly if their processing and storage are no longer necessary and no longer have to be stored within the framework of statutory provisions.
- 11.8. Supplier will report to the data protection officer of Michelin within 24 hours if a violation of data protection regulations concerning his own organization has been discovered. The same applies if employees of Michelin or third parties report such a violation to Supplier. For this purpose, Supplier shall immediately contact the data protection officer of Michelin via e-mail: datenschutz@michelin.com or telephone: +49 (0)721-530-2370. Supplier will comply with all inquiries and demands of the data protection officer of Michelin. Supplier shall report the violation – If there is reason to do so – to the data protection authority responsible for him within the legally required period. In all other respects, the data protection information of the responsible party shall apply: <https://www.michelin.de/informationen/datenschutz>.

12. ANTI-CORRUPTION

- 12.1. Within the scope of the supply relationship, Supplier declares to counteract any form of bribery and corruption and to comply with the relevant statutory provisions and Michelin's PURCHASE PRINCIPLES.
- 12.2. Supplier undertakes and confirms in particular
 - a. to refrain from announcing, offering, promising or granting, directly or indirectly, gifts, other benefits or other inappropriate financial or other advantages to our employees entrusted with the preparation, conclusion or performance of the contract or to persons close to them,
 - b. to refrain from committing and abetting criminal acts which fall under § 298 StGB (agreements restricting competition in tenders), § 299 StGB (corruptibility and bribery in commercial transactions), § 333 StGB (granting of advantages), § 334 StGB (bribery) or § 23 GeschGehG (law on trade secrets).

The above obligations also apply to any subsidiary, collaborator, director, employee or officer of Supplier and any third party involved in the contractual relationship.

- 12.3. In the event of a breach of the obligations stated in paragraph 12.2., we shall be entitled, without prejudice to other rights of termination and rescission, to terminate the contract extraordinarily and to terminate all negotiations.
- 12.4. Supplier shall reimburse us for all damages incurred by us as a result of a breach of the obligations referred to in paragraph 12.2. and for which Supplier is responsible.

13. SUPPLIER'S DECLARATION – SECURITY DECLARATION

- 13.1. Supplier shall submit a supplier's declaration or proof of origin corresponding to the customs conditions.
If a long-term supplier's declaration is submitted, Supplier shall inform us of every change to the properties of the goods relevant in respect of the preference regulations immediately and without prior request.
Supplier shall be liable for all damages resulting from inaccurate content, the incorrect form or non-submission or late submission of declarations owed by Supplier.
- 13.2. Supplier confirms that he has the status of an authorised economic operator (ZWB/AEO) with certificate AEO S or AEO F, or has applied or will apply for said status.

Suppliers not currently fulfilling the above requirements shall fulfil the following requirements in the sense of the AEO:

- a. Goods produced, stored, transported, delivered or accepted under contract for authorised economic operators (AEO);
 - shall be produced, stored, processed or changed and loaded at secure sites and secure transshipment points;
 - during production, storage, processing or altering, loading, transporting, goods shall be protected against unauthorised access;
- b. Only reliable personnel may be used for the production, storage, processing or altering, loading, transporting and acceptance of these goods;
- c. Business partners acting on behalf of Supplier have been informed that they must also take measures to secure the above supply chain.

Supplier shall immediately and without request inform us of any change relevant in respect of the security requirements according to the provisions of AEO. Supplier shall be liable for all foreseeable losses typical for the contract, which arise from non-compliance with the requirements according to the provisions of AEO and shall indemnify us in the event of a third party claim and shall reimburse us upon initial request for fines and other costs incurred as a result of the matter.

14. OTHER PROVISIONS

- 14.1. Suppliers entering our plant or production sites shall observe and follow, in particular, the current and applicable regulations regarding the environmental obligation of the respective plant or site which can be provided upon request, as well as the general conditions regarding security and the environment.
- 14.2. The contract or order shall not be used for reference or promotion purposes without our prior consent.
- 14.3. In the event of questions of interpretation, ambiguities or contradictions between the above Terms and Conditions and translations, the German version shall prevail. Contract language is German.
- 14.4. The place of performance for goods and services is the receiving point prescribed by us.
- 14.5. Place of jurisdiction and place of performance for payments shall be Karlsruhe. Before taking legal action, the contract parties shall try to reach an amicable agreement.

14.6. The applicable laws of the Federal Republic of Germany shall apply exclusively. The applicability of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.