

*TERMS AND CONDITIONS FOR WORK AND
SERVICES CONTRACTS*

PART II: SAFETY AND HYGIENE

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PART II: SAFETY AND HYGIENE

Should the supplier have to provide services in a plant or location of a Michelin Reifenwerke AG & Co. KGaA and/or all other Michelin affiliated companies with registered seat in Germany (hereinafter "Michelin") with the exception of the Euromaster companies, the following terms and conditions concerning safety and hygiene are to be complied with.

1. COORDINATIONS OF WORK

1.1. Appointment of the coordinator in writing

According to BGV A1 "principles of prevention" § 6 Michelin shall, if several suppliers are occupied on one assembly site, appoint one person (coordinator) in writing, who coordinates the work in order to avoid a possible reciprocal danger; the supplier has to confirm this appointment in writing. Should no coordinator have been appointed yet at the commencement of such work the supplier shall work towards its appointment by Michelin.

The coordinator has an authorization to give instructions towards the suppliers and their employees in all questions relating to safety. Other safety experts of Michelin are also authorized to give instructions in questions relating to safety towards the supplier and its employees.

1.2. Responsibility of the supplier

The authorization of Michelin to give instructions in questions relating to industrial safety shall not release the supplier from its responsibility for its own employees.

The supplier undertakes to ensure the notification and instructions of its personnel which are necessary according to BGV A1 "principles of prevention" § 4.

1.2. Newly-added suppliers

If several suppliers are occupied on one assembly site then each newly added supplier has to examine whether the protective measures chosen by it are in line with the already existing ones and do not render existing measures invalid. It has to contact the safety coordinator at its own initiative.

2. INDUSTRIAL SAFETY

2.1. Inspection before the start of the execution of the order

Before the start of the execution of the order an inspection is necessary by the authorized agent of Michelin and the responsible person of the supplier if applicable with the participation of the local safety department (EP) of Michelin, with which reference is to be made to the special dangers and points of danger and the possibly existing relevant inhouse safety instructions for the work which is to be carried out which go beyond this part II, e.g. the information leaflet concerning safety measures with work involving fire hazards.

2.2. Applicable safety regulations

The statutory industrial protection regulations which are relevant for the work which is to be carried out, the accident protection regulations of the trade associations, the general safety-technical and occupational medicine rules as well as the inhouse safety instructions existing beyond this shall apply to the supplier, its personnel and the personnel of the suppliers and sub-suppliers. The supplier is responsible for the corresponding information and for the fact that in the event of the assignment of the order to third parties these also inform themselves about and comply with these safety provisions.

2.3. Breaches of safety regulations

The group of persons named in Subclause 2.2 has to comply with the provisions contained in this part II and the inhouse safety instructions possibly existing beyond this. It is essential to follow the orders of the authorized agent of Michelin and its safety department. In case of breaches of safety regulations, organisational instructions of the Michelin project management or the safety department of the plant the infringing party can be forbidden from entering the plant; in these cases Michelin additionally reserves the right to dissolve the contractual relationship.

The supplier has to exclude all persons from the execution of the order, who infringe the provisions named in this part II or the presence of whom appears inappropriate to Michelin owing to misgivings about safety.

2.4. Protection of processing products

When executing the order it is essential that the supplier pays attention and take corresponding precautionary measures to ensure that processing products are not impaired, e.g. caoutchouc by dust, wire by contact.

2.5. Hazard to the safety

In case of a hazard to the safety of the personnel, third parties, the building, the plants, machines and other equipment which arises in connection with the execution of the order the work is to be discontinued immediately if the safety cannot be guaranteed in any other manner.

2.6. Report of important incidents / industrial accidents

In case of important incidents from the field of industrial protection (e.g. accident), the plant protection (e.g. theft), the fire prevention (e.g. incipient fire) and the environmental protection (e.g. interference by leakage) the supplier principally also has to inform the safety department of the plant immediately in addition to the Michelin project management. In addition, it has to assist with the comprehensive clarification of these incidents.

In line with BGV A1 " principles of prevention" the supplier is obliged towards Michelin with occurred industrial accidents to report each injury – also apparently insignificant - or effects of substances which pose a danger to the health in the plant to the Michelin project management and the safety department of the plant immediately in order to ensure the proper first aid of the injury person.

The supervisory personnel of the supplier has to ensure that a proper accident report is immediately submitted to the trade association, at which the supplier is insured. A copy of this accident report is to be sent to the safety department of the Michelin plant through the Michelin project management.

The supplier shall supply more detailed information for the calculation of the frequency rate and severity ratio with regard to industrial accidents of employees of the supplier or third party workers assigned by it who were assigned on site, to the head of the environmental and safety department of the Michelin plant or Michelin location following a corresponding enquiry monthly and/or at the end of the order. This in particular includes the following information: Total hours of work on site, total industrial accidents with interruption to work, the total industrial accidents without interruption to work however with the requirement to involve external help as well as the total number of days with interruption to work – details based on the respective started period of time/periods of time.

2.7. Ban on alcohol and intoxicants

Bringing alcoholic drinks of all kinds or other intoxicating agents onto the plant site as well as their consumption are prohibited. The employees assigned by the supplier and third party workers are also forbidden from commencing the work in an intoxicated condition. If they breach this ban on alcohol and intoxicants Michelin is entitled and the supplier obliged to expel them from the plant site.

2.8. Use of recreational, washing and shower rooms

The recreational, washing and shower rooms of Michelin may only be used with the consent of the department concerned. They are to be treated carefully and as intended.

2.9. Protective equipment

According to BGV A1 " principles of the prevention " § 29 the supplier is obliged to make the necessary personal protective equipment (PSA), such as e.g. anti-static safety shoes, protective gloves, protective goggles, ear protectors, facial protection and protective helmet, available.

The supplier has to ensure that this protective equipment is worn and kept in an impeccable condition according to the regulations.

If personal protective equipment is necessary, which is to protect against fatal dangers or permanent health damages, the supplier has to ensure the instructions which are necessary according to BGV A1 "principles of prevention" § 31 by training.

2.10. Installation of information signs

The supplier is responsible for the legal duty to maintain safety. For this purpose it has to install and keep in reserve warning, information, requirements and prohibition signs. Road and track blocks must be applied for at the Michelin project management.

Assembly openings must be secured against falls at all times. Changes to platform covers may only be carried out by coordination with the Michelin project management.

3. ACCESS / PLANT TRAFFIC

3.1. Compliance with the applicable regulations

The supplier has to comply with the regulations which are respectively applicable for the access to, time spent on and leaving the plant site, in particular the actual and valid regulations at Michelin concerning the environmental obligation of the respective plant or location, which Michelin will be pleased to make available upon request. In case of repeated breaches the safety department can issue a plant ban.

3.2. List of persons with access authorization

The supplier has to hand over a list of its employees as well as the employees of subsuppliers to the Michelin project management before carrying out the assembly work in order for the access authorization to be examined when entering the plant. The corporate names of possible suppliers are to be named. Changes are to be reported immediately.

3.3. Vehicle controls

All vehicles of the supplier or of third parties entering and leaving the site can be controlled by the safety department at all times. The same shall apply with a concrete case of suspicion to checks of persons.

3.4. Location of vehicles on the plant site

Vehicles of the supplier or of third parties, which are laden or unloaded, are to be removed from the plant site after termination of the loading process. Merely workshop vehicles, which are required to execute the order, may remain on the plant site continuously. They are to be reported to the gate when driving into the site. They are to be parked so that the other pedestrian and vehicle traffic are not impaired; if applicable certain stopping places will be allocated by the safety department.

Hydrants, shut-off valves, extinguishing water infeeds, building electricity distributors, rescue devices, emergency exits and similar items may not be blocked.

3.5. Compliance with the traffic regulations

The road traffic regulations apply on the plant site. Special traffic regulations and signs, such as e.g. the maximum speed stated at the plant gate, are to be complied with.

3.6. Ban on bringing certain objects

Animals, radio devices, cassette recorders and other reception and broadcasting devices, which are not firmly installed in vehicles, may not be brought onto the plant site. The use of hand walkie talkies on the plant site requires the prior release by the safety department of the plant.

Mobile telephones may not be used in the production and warehouse halls near machines.

4. SECRECY

4.1. Access to the work zones

The supplier may only access the work zones, in which it has to perform work directly. The access to the work zones may only be carried out after the prior report to the responsible person of the work zone and only by the stipulated entrances. Only the route instructed by the safety department is to be used to reach and leave the place of work.

For reasons of safety and secrecy it is principally prohibited to move on the plant site outside of the allocated areas.

4.2. Ban on taking photographs

Recordings of all kinds on the plant site (photo, video, film) are banned. Cameras and film cameras, etc. may only be brought onto the plant site with the previously granted written permission of Michelin. The plant protection is entitled to control photo or film devices including camera phones, taken onto the plant site without permission to check whether no photo or film

recordings were taken on the plant site and if applicable to delete these. The latter shall also apply if the plant protection cannot determine whether such recordings were made.

4.3. Safeguarding of business and trade secrets

The supplier has to maintain secrecy towards third parties – also after termination of the order – with regard to the order, the knowledge of the local site, the mechanical systems, the production processes and other important information, of which it becomes aware owing to the execution of the order.

At the request of Michelin the supplier shall have personal non-disclosure obligations signed by its employees and handed over to the Michelin project manager.

5. FIRE PROTECTION

5.1. Ban on open flame

Michelin shall inform the supplier where there is increased risk of fire in the plant (this is the case in almost all production and warehouse halls). Therefore, open flames, e.g. heating furnaces, bitumen boilers, hot air heating with direct flame, electrical heating devices, are principally forbidden. Exceptions are to be approved by the safety department in writing in advance. The conditions possibly stipulated hereby are to be strictly complied with by the supplier.

5.2. Report of work which poses a fire hazard

All work falls under the term "work which poses a fire hazard", with which sparks or heat are produced and there is a risk of ignition, e.g. grinding, flame cutting, welding, soldering, pre-heating. Work which poses a fire hazard may only be carried out after the prior report to the safety department and after its written permission. The safety department decides whether a constant fire supervision is necessary and whether other precautionary measures, e.g. removal or covering of flammable materials, fire extinguishers on site, a connected steel pipe, are to be taken. The supplier has to follow the instructions of the place fire service.

If such conditions exist then the supplier has if applicable to provide the personnel which are necessary for this purpose and the necessary devices.

5.3. Flammable liquids and dust

Before commencement of the work in the vicinity of or when handling flammable liquids (benzine, solvents, etc.) or flammable dust (e.g. fine dust of chemicals) special safety measures are to be taken by coordination with the safety department of the plant.

5.4. Compliance with the ban on smoking

The bans on smoking respectively existing on the plant site are to be strictly complied with. In case of infringements a plant ban may be issued. They shall not be revoked either by the approval of open flames or work which poses a fire hazard.

5.5. Rescue routes and rescue equipment

The emergency exits, escape and rescue routes as well as all doors and gates and the accesses to First Aid equipment are to be kept free. The use of the fire prevention and First Aid equipment is only permitted in the event of danger. The safety department is to be informed immediately about the use.

5.6. Heating of day accommodation and material rooms

The heating of assembly huts, accommodation and material rooms on building or assembly sites may only be operated with the consent of the Michelin project management.

The following conditions are to be complied with when using electrical heating:

Only closed heating devices may be used, e.g. oil radiators. Insofar as requested by the safety department only heating devices may be used, which are suitable for permanent establishments with a risk of fire. The using heating devices must be created to the extent that their surface temperature during normal operation does not exceed 115°C. This demand is e.g. satisfied by heating devices, which are suitable for permanent establishments with a risk of fire (see VDE 0100/5.73, § 50). Only oil radiators, and only such with temperature controllers or safety temperature limiting devices, may be used as mobile heating devices. The placing of objects on the radiator surface is also to be strictly prevented with these heating devices.

The heating may only be operated during the working hours. Should a heating device be operated overnight this must be approved separately by the safety department upon application.

Assembly huts and other accommodation rooms must be equipped at least with a 6 kg power extinguisher for the fire classes A, B, C and D.

5.7 Triggering a fire alarm

In case of fire or fire hazard a fire alarm is triggered. In case of a false alarm without existed danger the Michelin reserve to plead the costs of used measures (as for exmple fire truck).

6. ELECTRICAL-TECHNICAL EQUIPMENT

6.1. Equipment of Michelin

The supplier may not carry out any work on the electrical-technical equipment of Michelin without the prior coordination with the Michelin project manager. This shall also apply to the use and replacement of fuses.

6.2. Report of defects

The supplier has to report complaints about this equipment before the commissioning and defects, which occur during the operation, immediately.

6.3. Inspection by Michelin

Michelin is entitled to inspect the electrical-technical equipment of the supplier for their proper condition without assuming responsibility hereby.

6.4. Faulty devices / lines

Devices and lines which are not impeccable are to be removed immediately or established according to the regulations; otherwise the power supply can be blocked until the establishment of the proper condition.

6.5. Use of devices of the supplier

The electrical machines and devices of all kinds used by the supplier must comply with the VDE provisions which are relevant for the place of work concerned and, if necessary, satisfy the explosion protection provisions. The connection is carried out at the Michelin-own plug connections secured by an FI protective switch; depending on the requirements a building current distributor will be installed by Michelin. All electrical machines and devices are to be switched off at the end of the work and secured against improper use.

The erection and maintenance of the electrical systems from the infeed point has to be carried out according to VDE 0100, VDE 0105 and according to corresponding instructions of the Michelin project management.

The same shall apply to the execution of protective measures with indirect contact according to VDE 0100 from the infeed point during the whole duration of operation as well as the set up and maintenance of the lighting which is necessary for the execution of the assembly work including the workplace lighting by the supplier.

6.6. Activation

If activations (electricity, water, compressed air, vapour, etc.) are necessary for work then the work may only be started after release by the Michelin project management.

7. CABLES AND LINES

Attention is to be paid to the following in order to prevent damages to cables and lines: Cables are in any case to be considered as live and may not be exposed to mechanical demands.

Suspended scaffolding for cables, cable protection and safety equipment may not be changed by the supplier without any order.

Walking on suspended cable racks or comparable brackets is prohibited.

If cables or lines are found in the ground during assembly work then the Michelin project management is to be informed immediately. The work in the vicinity of these cables is to be suspended until further instructions are given on the part of the Michelin project management.

Before the start of assembly work as well as before the pile driving of sheet pile walls, posts, anchoring, etc. the supplier must inform itself at the Michelin project management about the

location of possible cables and lines existing in the ground. See also VDE 0105 1/7.83 Subclause 4.1.3: "Before the start of civil engineering work the person who is responsible for this work must obtain information about cable and line routes."

The supplier shall receive from Michelin, if necessary, a site plan with details about underground energy and other lines. The afore-mentioned work may only be carried out with the prior written consent of the Michelin project management. The approval declaration with site plan must be available at the assembly site. The supplier undertakes to announce its contents to all workers involved in the work and to pay attention that the conditions are complied with.

Changes to the method of work require a renewed agreement.

After removing the cable covering stones no pickaxes may be used any more in the direct area of the cables.

Civil engineering work in the area of high voltage cables outside of the working hours of the Michelin plant are to be reported to the Michelin project management at least 24 hours in advance.

They may only be started after their release.

All damages to cables by solvents and caustic liquids (acids, leaches, ammoniac, etc.) are to be avoided. It is prohibited from covering cables or lines with concrete.

First measures with the damage to a cable:

- Secure damaged location in a range of at least 10 m radius.
- Cable fires are only to be fought with dry fire extinguishers or with dry sand as far as possible.

8. ENVIRONMENTAL PROTECTION

8.1. General information

The supplier shall inform its employees based on the documents handed over to it about the plant-internal regulations and conditions concerning the subject of environmental protection.

The supplier has to ensure towards Michelin and third parties that all measures are taken at its costs in order to minimise disturbances by the execution of its work, e.g. noise, dust, vapours, exhaust gases, as far as possible.

In case of foreseeable, however unavoidable disturbances of all kinds the Michelin project manager is to be informed about the type and duration of the interference in time in advance.

8.2. Substances and preparations

The use of chemical substances and preparations is carried out by complying with the relevant laws, in particular the REACH and the GHS/CLP regulation and requires the prior consent of the safety department of the plant.

For this purpose the corresponding actual safety datasheets are to be made available to Michelin before the first use if applicable with exposition scenario within the meaning of Annex II of the REACH regulations in German as well as upon request in further languages under msds-germany@michelin.com.

The supplier of products undertakes to inform Michelin immediately if a product delivered by it with more than 0.1 % of its mass contains one or more substances of Annex XIV of the REACH regulations or the list of candidates of the ECHA (substances of very high concern).

In case of significant changes the safety data sheet is to be sent to Michelin by the supplier immediately once again without a request by stating the date of the update. The safety data sheet is to be renewed by no later than after 5 years.

If it concerns substances or preparations which pose a danger to the employees of Michelin, third parties or the environment then special protective measures are if applicable to be agreed. This shall in particular apply to hazardous substances or substances which pose a danger to the water.

With the storage and handling of substances which pose a danger to the water the relevant statutory provisions are to be complied with. The storage of substances which pose a danger to the water or flammable substances is carried out by coordination with the safety department, which allocates a suitable storage location.

The supplier is responsible for all damages, which are suffered as a result of incorrect details in the binding declarations or because existing regulations were not complied with in the handling (packaging, shipment, storage, etc.) of hazardous goods as well as chemical substances and preparations.

8.3. Waste water

The supplier shall inform the safety department in writing about the upcoming occurrence of waste water before commencement of the work.

To be stated are:

- a. Quantity of waste water per hour
- b. Duration of the occurrence of waste water, e.g. workday, week, etc.
- c. Kind of water contamination (pollutants).

The discharge of substances which pose a danger to the water into the sewer is prohibited.

A qualified disposal is to be ensured.

The discharge of waste water into the storm sewer is prohibited.

8.4. Waste

The supplier undertakes to comply with the principles of the Michelin waste management:

- Waste is principally to be avoided.
- Unavoidable waste is to be recycled.
- Non-recyclable waste is to be disposed of environmentally-friendly.

It is the duty of the supplier to dispose of

- Waste from material deliveries, e.g. packaging (carton, wood, foamed polystyrene, etc.)
- Residues and waste, which are produced by the execution of the order (e.g. building debris, wood, coloured, metal, etc.).

The costs incurred for the afore-mentioned disposal shall be borne by the supplier.

It is the duty of Michelin to dispose of residues or waste, which is available with the commencement of the work in the working field of the supplier. The Michelin project manager is to be informed hereof immediately.

The costs incurred for this disposal shall be borne by Michelin unless otherwise agreed in an individual contract.

Substances which pose a danger for the water, which is located in the plants, containers, pipelines, etc. which are to be dismantled, must be transferred to a qualified disposal by the supplier.

The transport of waste in containers of Michelin shall only be carried out after the written agreement about the type and quantity with Michelin. A copy of the agreement is to be forwarded to the safety department of the plant.

9. USE OF THE COMPANY DOCTOR SERVICE OF MICHELIN

Employees of third party companies may use the company doctor service of Michelin in emergencies.