

***ANTI-CORRUPTION
CODE OF PRACTICE***

2020

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Thanks to each of us, Michelin is taking action and continuously transforming to meet the many challenges posed by our environment, our customers and our markets. In this context, our collective commitment is a major advantage.

In fulfilling this commitment, we must act ethically everywhere and all the time: this ensures that we work for the strength and sustainability of the Group and our reputation.

Being “All Sustainable” also means being “all ethical.” That’s why we decided to republish the Michelin Group’s Code of Ethics and the Anti-Corruption Code of Practice.

These two documents lay out the ethics and anti-corruption guidelines we must apply in our daily work.

We are counting on each of you to adhere to these codes and thereby to do your part to help preserve Michelin’s outstanding reputation.

Bien cordialement

Florent Menegaux
Chief Executive Officer



Yves Chapot
Partner & Chief Financial Officer



PURPOSE

This Code of Practice derives from the Michelin Performance and Responsibility Charter and the Michelin Code of Ethics. This Code must be read in connection with the Charter, the Code of Ethics and other Policies and Directives governing behavior as may be issued by particular Entities. The Michelin Group Contract Management Directive complements and facilitates this Code.

SCOPE

This Directive is applicable not later than 1 January 2016 to all Michelin employees and Agents (as defined in the chapter Authorized Use of Agents) of all Michelin companies.



INTRODUCTION

DEFINITION

Corruption is:

- the inducement to misuse or the misuse of the duties of public office (whether or not elected) for private or personal gain (public corruption). For the avoidance of doubt, “private gain” means a gain for the benefit of a company or enterprise whereas “personal gain” means a gain for the benefit of a person or persons; or
- the misuse of business relationships for private or personal gain outside of government (commercial or business corruption). Corruption can be present in a great many activities. An act is corrupt if it is made or accepted with the intent to cause misuse of entrusted responsibility. Bribery, attempted bribery and solicitation of bribery is corrupt. Participation in any kickback scheme is corrupt. Michelin rejects all forms of Corruption whether involving Michelin (or the “Company”) employees or its Agents. Michelin employees and Agents should avoid practices that may be considered corrupt.

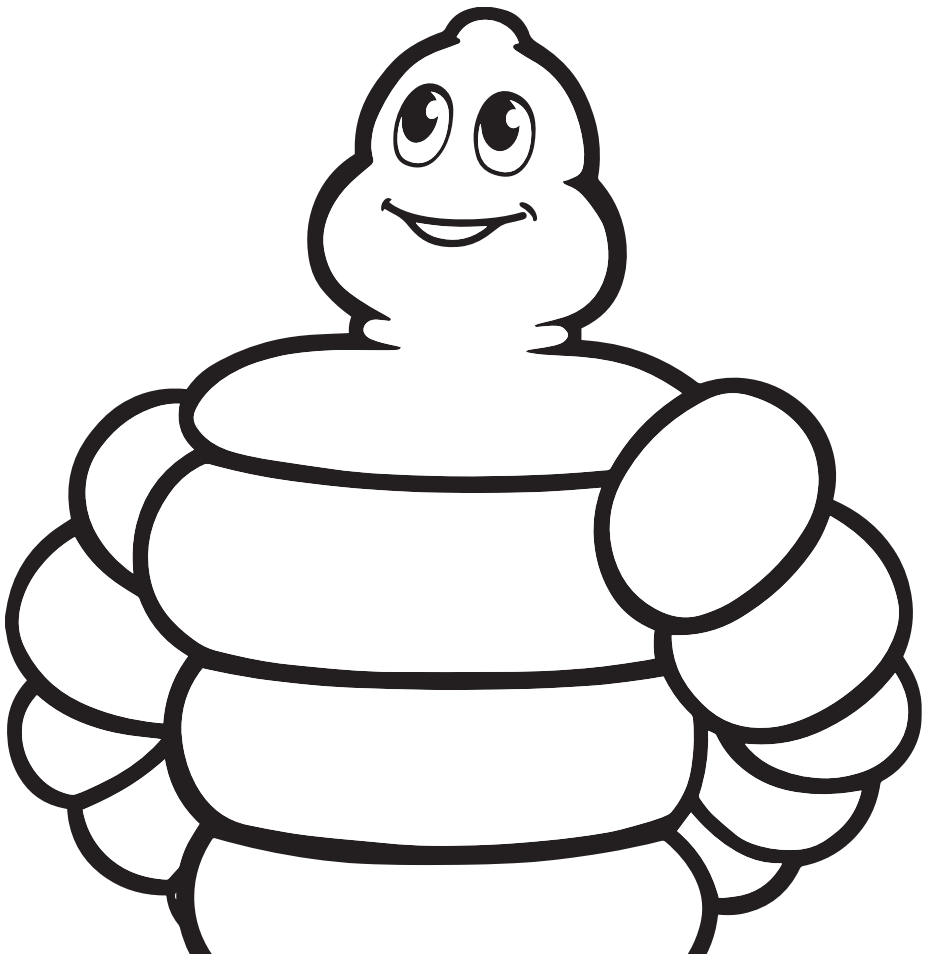
Michelin will not tolerate corruption in any form.

This Code of Business Practice (“Code of Practice”) outlines specific practices to identify acceptable and unacceptable behavior and to make clear that managers are responsible to assure behavior consistent with this Code of Practice within their respective scopes of authority.

Notification of possible violations of the Anti-Corruption Code of Practice.

Possible violations of this Code should be reported via the ethics line available in your country. Possible violations may also be brought to the attention of your Manager or a legal department or personnel department representative in your country or Region. No one is authorized to take retaliation measures against an employee who has reported a concern in good faith.

***THE IMPORTANCE OF THE
CODE OF PRACTICE***



The PRM Charter and the Code of Ethics are built on the five Core Values of Michelin:

- Respect for Customers
- Respect for People
- Respect for Shareholders
- Respect for the Environment
- Respect for Facts

Achieving these Core Values requires personal integrity practiced continually. It is through this constant exercise of personal integrity and by constantly expecting the same from our co-workers that we build trust within and outside the Company. Corruption destroys trust and without trust the Values cannot be met.

This Code of Practice is also important because it reflects the law. Throughout the world public corruption is illegal. The behaviors prohibited under this Code of Practice are not only corrupt – many are crimes. The Company could suffer huge financial loss, ongoing loss of business and denial of future business because of the corrupt behavior of one or two employees or Agents. Employees could suffer personal financial loss through fines and imprisonment for violating corruption laws.

Your local laws may be stricter than this Code of Practice. In such cases, the local, stricter, law will apply and this Code of Practice will conform. It is your responsibility, working with your Legal Department, to understand any such exceptions.

Discovery of corruption could have a material effect on Company operations leading to shut downs of operations and impairment of assets. Financial reports and capital share prices may be adversely affected. This can lead to claims of financial and securities fraud. Again both civil and criminal laws can be implicated with potentially huge fines and imprisonment.

Finally, failure to comply with this Code of Practice can result in dismissal for misconduct.

HOW TO USE THIS CODE OF PRACTICE

This Code of Practice is a Group Directive and is issued by the Legal Department to help you (1) apply proper business practices, (2) recognize corrupt business practices and (3) decide what you should do if you face ethical issues regarding your work. Here you will find some practical information that will help guide your behavior to better assure you make ethical choices. This Code does not cover every issue you may face or every choice you may make as a Michelin employee. It is designed to give you clear guidance on fundamental issues so you are better informed in making decisions affecting business integrity – whatever they may be.

Please read this Code carefully and discuss it with your manager and with your co-workers. Ask questions and work through problems. As stated above, this Code is a practical guide coming from the principles found in the Michelin Performance and Responsibility Charter and the Michelin Code of Ethics. You can be assured that this Code is completely consistent with those documents. You may read this Code along with the Michelin Code of Ethics.

• It is required that all managers are responsible for the application of this Code of Practice as part of their regular responsibilities. This Code involves leadership, performance management and people development dimensions.

Michelin managers must assure that Corruption is (1) discouraged through efficient and effective training; (2) detected through diligent management practices and efficient and effective controls; (3) reported to responsible authorities; and (4) promptly dealt with through discipline practices and disclosures as required by applicable law.

The violation of this Code of Practice or the negligent practices of managers that are reasonably foreseeable to give rise to a violation of this Code of Practice are events subjecting each such employee and manager to discipline which may include dismissal for misconduct. All such discipline shall be according to the Companies' respective discipline policies.

Michelin will not tolerate any form of harassment, discrimination or retaliation against employees raising concerns or acting in good faith in line with this policy.



***REJECTING BRIBERY AND
KICKBACKS***

Bribery is the act of offering or accepting anything of value with the intent of affecting business judgment in order to gain or retain unfair business advantage. Bribery can be inferred on whether the value offered or accepted is unreasonable and disproportionate. Bribery can be public or commercial in nature.

Kickbacks are the return or repayment of sums already paid as a reward for awarding business or the promise of such awards in the future.

- **It is not allowed to give or receive bribes or to attempt to do so. It is not allowed for Agents to give or receive bribes or to attempt to do so. Giving, receiving or attempting to give or receive any payment, benefit or gift which may be reasonably perceived as a bribe is not allowed.**
- **Paying Kickbacks or participating in any Kickbacks scheme, directly or through Agents, is not allowed. Kickbacks are, effectively, bribes.**

Employees are responsible for understanding and properly applying the relevant law on these points in each country in which they operate (or that has jurisdiction over them) and to act in compliance with this Code of Practice.

NONE OF THE FOLLOWING IS ALLOWED

A building permit is under consideration for an important expansion and to “speed up” the process a manager gives the responsible public official a new wrist watch.

An administrative manager makes a bargain sale of vacant land to a magistrate who is deciding upon an important issue for the Company.

A sales person offers cash to a distributor’s manager outside of any authorized program to assure that competitors’ products are always “missing from the truck.”

To better assure a favorable decision from a public official on a matter before the government, a manager provides that public official with an automobile for his personal use pending the decision.

To obtain business a sales person gives a customer’s buyer, for his personal account, a cash payment.

In order to award business, a customer’s buyer demands a cash payment for him personally and (1) the salesman pays the demand or (2) the Company’s sales Agent pays the demand.

GUIDANCE

The Company will not tolerate bribes and managers are expected to work with the Legal Department to legally account for any suspected act of bribery.

Any employee or Company representative who offers or accepts a bribe places himself/herself at risk of arrest, fine and imprisonment. He/she also places the Company at risk of criminal prosecution, fine, debarment and other adverse consequences.

Take no action unless you understand the facts and are sure there is no risk of claims of bribery.

Be aware of the transaction. Does the cash and product flow make sense? If not, hold back, reflect and ask questions.

Never give a public official cash unless the cash is to pay a specific, published fee and you receive a written receipt specifically describing the purpose.

For the personal use of a public official never provide gifts or benefits that have cash value such as providing for a rental car over a weekend or providing use of a vacation house or providing vacation travel.

Never offer a personal payment of cash or property or use of property to a customer's representative in order to induce an award of business and never pay a kickback.

Be aware of how your actions look to others. What you offer may be intended only as ordinary hospitality but may appear to be – and be perceived as – an offer of a bribe.

Ask yourself, "Will I be proud of my actions if they become public;" if the answer is "no" then do not proceed.

Always report a request for a kickback to the whistleblower line, the Legal Department or the Security Department.

For details of what can be considered a reasonable gift, please read and understand the Chapter Honesty and Transparency with Gifts, Entertainment and Hospitality in this Code of Practice.



AUTHORIZED USE OF AGENTS

Agents are individuals or firms engaged by Michelin employees to represent the Company to facilitate or perform activities on behalf of the Company. Agents may be engaged in such things as sales of product for Michelin's account, clearing products through customs, obtaining immigration documentation, acquiring operating permits and representing Michelin in any number of different transactions. (In general, distributors or dealers who buy products and then resell them for their own account are not considered Agents in this context.)

The use of Agents to perform such tasks as commercial sales representatives or clearing goods through Customs is not favored but is allowed provided such agents apply this Code of Practice.

Agents shall be compensated only for the specific duties for which the Company has contracted. Results-based compensation is not favored.

Any Agent receiving results-based compensation shall be reviewed or audited annually to assure compliance with this Code of Practice.

• It is the duty of the Entity contracting with such Agent to cause such annual review or audit.

In any case the Entity as well as the relevant employees and managers of that Entity shall be responsible to assure that all Agents with whom they have contracted are (i) bound by and (ii) in compliance with this Code of Practice. Agents will be held accountable to this Code of Practice.

All relationships with Agents shall be represented by written contracts. It is the responsibility of the Entity contracting with such Agents to assure that regular, competitive bidding occurs and that no relationship with any Agent extends for an unreasonable period of time.

Agents are responsible to follow all embargo and trade laws; failure by responsible employees and their managers to assure such compliance is not acceptable.

Any employee and his/her manager, who deals with an Agent, is responsible to assure that such Agent performs according to this Code of Practice.

NONE OF THE FOLLOWING IS ALLOWED

An Agent offers a customs official cash to grant an import license.

An Agent offers use of a vacation home to a government official to influence the Company's selection as provider of a large government contract.

An Agent offers cash to a manager of a corporation to influence a favorable purchasing decision. That corporation is owned by a government (in China, for example).

An Agent offers use of an automobile to a government official to influence a speedy construction permit approval.

Any of the above acts occurring as a result of the negligence of the Company's responsible manager – in either selecting or managing the Agent or the employee responsible for the Agent.

GUIDANCE

Up to a three-year contract with an Agent may be reasonably renewed for a like period, but thereafter it is reasonable to expect that such contract will be open to competitive bid. If this is not the case, there must be a clear and transparent written record of the reason for the exceptional action and by whose authority it was taken.

Know the local market and be sure the fees paid to Agents are in line with the work they are actually doing for their specific mission. Be careful that Agents are not promising a part of their fees in a way that could infer offers of bribes.

Agents represent the Company. Responsible Company employees (and their managers) must assure that Agents are properly trained and that they follow all embargo and trade laws.

Hold regular reviews and audits requiring Agents to account for the funds you have paid them and what they may have paid to others on behalf of the Company.



***REFUSING TO MAKE FACILITATING
OR EXPEDITING PAYMENTS***

Facilitating or Expediting Payments are payments made for the benefit of a government official to cause or expedite a governmental action that is non-discretionary in nature, such as obtaining permits, turning on water or power, or providing usual services such as mail delivery or police protection. Usual and ordinary governmental fees paid directly to an agency of government for a public service (such as a public utility water connection fee) are not facilitating or expediting payments.

• Facilitating or Expediting Payments are not allowed – even if otherwise legal.

NONE OF THE FOLLOWING IS ALLOWED

Paying a Customs official a small amount for his personal account to expedite the clearance of a container that is otherwise fully legal for import.

Paying an Immigration official a small amount for his personal account to expedite the processing of a visa application.

GUIDANCE

The size of the payment is not important.

Whether or not an act is discretionary can be very complex.

Facilitating payments may not be illegal but they easily give rise to other illegal behavior – such as claims of tax fraud.

Facilitating payments can be confused with bribery or attempted bribery. Even if they may be technically allowed under local law, the risk of misimpression is too great.

If these payments are requested, report the request to management and take no action in furtherance of such a payment until your Region Legal Department is consulted.



***CHARITABLE CONTRIBUTIONS
AND POLITICAL CONTRIBUTIONS***

Charitable Contributions are donations made by the Company to a non-profit organization, charity or private foundation. Such donations may be in the form of cash, real property, goods, securities or other items of value.

Political Contributions are Company funds or resources donated to political parties, their representatives or candidates for office. The Michelin policy is not to support a political candidate in order to hopefully obtain further advantages for the Company. The Michelin Group maintains a neutrality principle.

Charitable contributions and Political contributions are not allowed unless they are:

- **allowed by all applicable law**
- **publicly disclosed according to all applicable law**
- **disclosed in the applicable Gift Register**
- **in advance of any such contribution, approved by the applicable Region Director (except in that Charitable contributions made by a site pursuant to its local outreach program in compliance with the Group’s “Reaching Out to Local Communities” Policy* are not to be individually approved in advance by the Region Director provided that such contributions are filed in the applicable Gift Register and are otherwise made in full compliance with the Michelin Code of Ethics and this Anti-Corruption Code of Practice); and**
- **otherwise in full compliance with the Michelin Code of Ethics.**

*Political contributions may not be made by a site through the Company’s “Reaching Out to Local Communities” Policy and must be approved in advance by the Region Director and recorded in the applicable Gift Register.

Agents may not make contributions of any type on behalf of the Company.

Note: The Michelin Company Foundation is otherwise subject to governance and reporting requirements exclusive of this Code of Practice.

THE FOLLOWING IS ALLOWED

Charitable Contributions

A donation to such internationally known groups as Doctors Without Borders or the United Nations Children's Fund as well as gifts to national or local charities are all Charitable Contributions.

A donation in cash, time or materials to build a public park for the benefit of local residents near an industrial facility can be a Charitable Contribution.

Political Contributions

In a country that allows companies to make cash contributions to a political candidate, a legally conforming gift is legal.

THE FOLLOWING IS NOT ALLOWED

Even if specific forms of political contributions are legal, non-conforming gifts may be illegal and be determined to be bribery. For example, a cash contribution of up to \$100 to a candidate may be allowed but a gift of a crystal bowl worth \$100 may not be allowed.

GUIDANCE

Charitable Contributions

Except (i) in accord with the “Reaching Out to Local Communities Policy” and (ii) in compliance with this Chapter of this Code of Practice, in no event is a contribution allowed without prior written approval by the Legal Department for the Region and the Region Director. This rule applies regardless of the size or purpose of the Charitable Contribution.

Careful diligence must be performed to assure that a proposed recipient of a charitable contribution is a real charity and not a “front” for illegal or unethical activity.

The purpose of charitable contributions can be later misunderstood by regulators or other influential third parties so following this established process in advance is essential.

Gifts proposed to be made near Company sites for the benefit of the local community should be considered as Charitable Contributions and this process should be applied in advance of any such gift.

Political Contributions

Political contributions may be made only in jurisdictions that specifically allow such contributions and they must be carefully controlled to assure compliance with all aspects of law. Political contributions can be made on behalf of the Company only by the Public Affairs Manager of any Region with the prior approval of the Legal Department and the Region Director. The Public Affairs Manager must be well-trained in all aspects of political contributions law.

Political contributions, so long as otherwise allowed by all applicable law, may be made only to candidates who support sustainability.

Illegal political contributions can be determined to be bribes.

If you are unsure whether a political contribution should be made, do not make it.

Including all political contributions in the Gift Register is critical.



***HONESTY AND TRANSPARENCY
WITH GIFTS, ENTERTAINMENT
AND HOSPITALITY***

A **Gift** may include such things as meals or tokens of appreciation or gratitude, invitations to events or other social gatherings, in connection with matters reasonably related to Michelin's business.

Gifts may be given or received by employees or Agents. Unreasonable Gifts can be bribes.

A **Gift Register** is a formal registry of gifts not clearly authorized under specific policy but that may be determined to be acceptable by Michelin managers. Each Region shall maintain a Gift Register under the control of the Region Director. The Region Director may delegate this activity but shall remain responsible in any event. This Gift Register is to assure transparency and shall be subject to review and audit. Gift Registers will also record all political and charitable contributions.

The giving or acceptance of gifts is subject to scrutiny since it is possible that a gift may be intended to be or perceived to be a bribe. Whether an offered gift is a bribe or perceived to be a bribe is not necessarily based on the size of the gift – it is based on the intent of the giver and takes into account the value of the gift, the circumstances surrounding the offer and a determination whether it is reasonable under the circumstances.

- **Offering or accepting a gift which may be reasonably perceived as a bribe or as a means of improperly influencing business judgment is not allowed.**
- **Offering or accepting a gift that may be reasonably perceived to create a conflict of interest is not allowed.**

Entities may establish gift policies and codes. Any Entity establishing such policies and codes is responsible to (1) communicate and train all covered employees and managers and (2) assure compliance in cooperation with the Region Ethics Committee. Those policies or codes may be relied upon only so long as those policies and codes are more restrictive than this Code of Practice.

Without specific guidance in an applicable policy or code: a gift, entertainment and hospitality can be given or received only if reasonable, proportionate and made in good faith in furtherance of a valid business purpose; otherwise, it is not allowed.

It is recognized that from time to time there may be opportunities to make or receive gifts including entertainment or hospitality that are not clearly authorized under a specific policy. In such cases it is the responsibility of the employee and the manager to seek guidance and approval in advance of the occurrence of any such offer or acceptance. If the decision of management is to make or receive such a gift, a description of that decision and the nature and value thereof must be recorded in advance in the applicable Gift Register.

NONE OF THE FOLLOWING IS ALLOWED

An employee who influences a supplier relationship receives a valuable gift from that supplier.

A salesperson is offered an expense-paid holiday from a customer.

An employee offers an unusually large and expensive dinner to a customer.

An employee offers gifts outside a formally documented gift policy.

At an ordinary business dinner a sales representative is honored by a customer for excellent customer service and a silver and crystal bowl is given as a token of the customer's appreciation.

GUIDANCE

When Giving Gifts:

Reflect on why a gift is required? Is it really necessary?

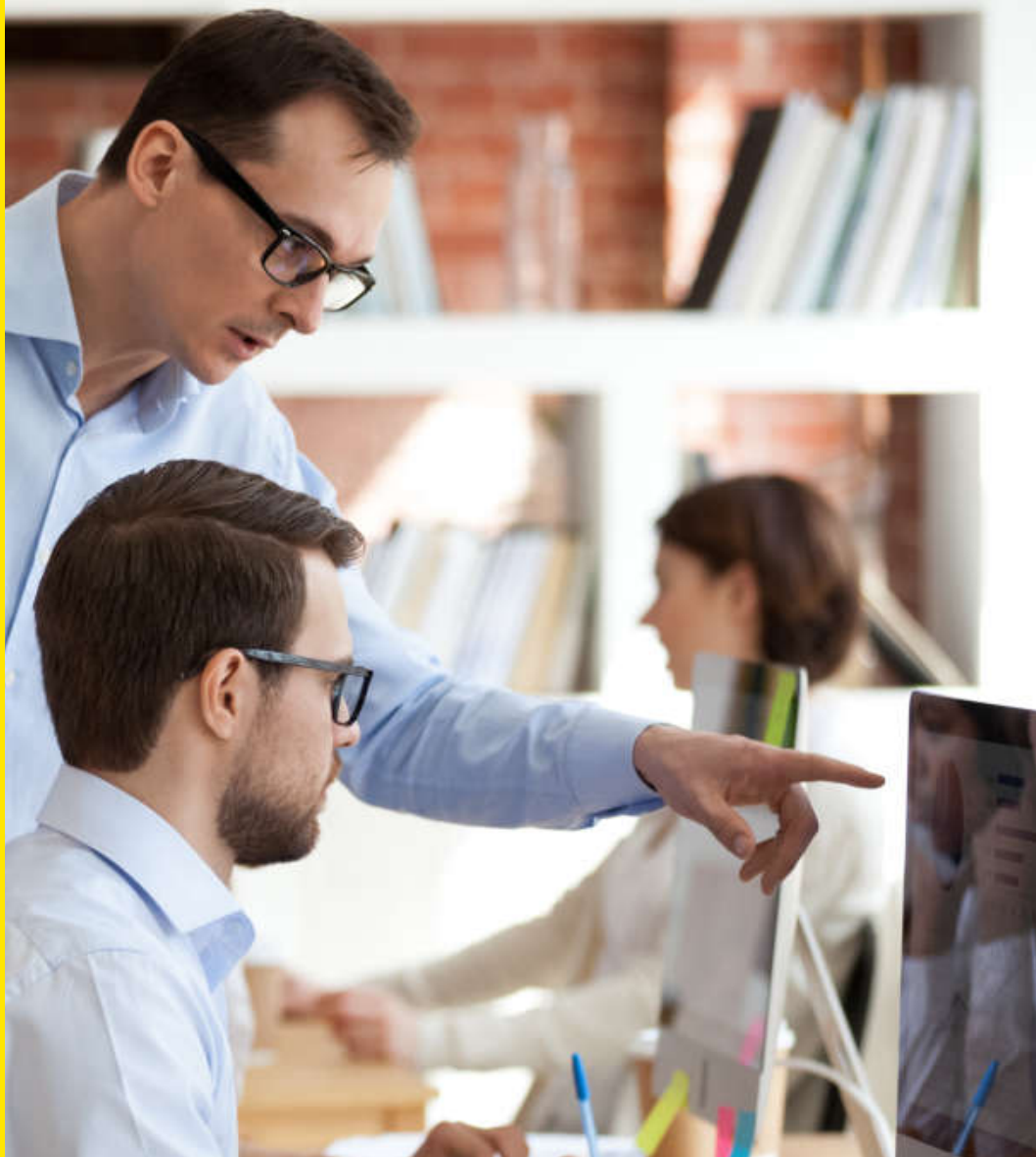
Be transparent and seek guidance from your manager before giving any gift which may be perceived to be out of the ordinary.

Do not give gifts which are outside the usual practice of your Entity and first request supervisory authority to make any such gift.

When offered Gifts:

Do not accept gifts which appear to be unreasonable or which exceed any stated policy.

It is possible that an employee may receive a non-conforming gift (a gift received by post or a gift given during an event which cannot be rejected without the giver being humiliated due to culture or tradition). In such case, that gift must be immediately reported to the employee's manager, noted in the Gift Register and delivered to the designated Personnel manager for disposition in a manner that assures there was no influence in any business decision and no individual benefit taken by the Company or the employee.



***RECOMMENDATIONS
FOR BEST PRACTICE***

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- **Understand the facts with which you are dealing.**
 - **Be aware of the situation and anticipate the actions of others.**
 - **Know what is expected of you.**
 - **Ask for help from your manager or available resources such as the Legal Department.**
 - **Consult your Region Ethics Committee and Legal Department representatives.**
 - **Look for transparency; if you are requested to take an action in secret be circumspect.**
 - **Understand your role and your responsibility.**
 - **Apply the Michelin Values.**
 - **Make your business contacts aware of this Code of Practice.**
 - **Reject any money or gifts which could reasonably give rise to charges of accepting a bribe. Likewise do not make such gifts. Note that the Michelin Code of Ethics contains more information concerning conflicts of interest.**
 - **Reject and report to management any complex or confusing business opportunity or proposal suggested by someone outside the Company.**
 - **Don't do anything the purpose of which you do not understand.**
 - **Don't put yourself in the position of incurring physical danger by refusing to act against this Code of Practice; but, if necessary to protect yourself from real fear of harm, take the required action and report it immediately to management who are then obligated to report such event to the Personnel manager and the Region Director.**

Michelin - Engagement and Brands Corporate Direction
Michelin
23, place des Carmes-Déchaux
63040 Clermont-Ferrand Cedex 9 - France
www.michelin.com

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