

CHARGEBACK PROGRAMME TERMS AND CONDITIONS

These terms apply to you if they are incorporated in the agreement you have entered into with Michelin Australia Pty Ltd

1. INTRODUCTION

1. The Michelin Chargeback Programme is a credit system which allows Local Retail Partners/ dealers/ distributors (“**Servicing Dealer**”) to be paid for the supply of products and services on behalf of Michelin Australia Pty Ltd (“**Michelin Australia**”) or another Michelin Australia dealer (“**Sponsor Dealer**”). The supply of products and services are performed at agreed rates and quality standards. Supply of products and services may include re- grooving, balancing, rotations, repairs, fitment (“**Services**”) and supply of tyres and tyre-related products (“**Products**”). The supply of Products and Services shall be referred to as “**Work**” in this document.
2. The Chargeback system is facilitated by the INBILL mechanism. INBILL is an electronic claim system which allows credit to the Servicing Dealer and invoicing to Michelin Australia, the Sponsor Dealer or a customer of Michelin Australia. For the purposes of this document; INBILL will be referred to as “**Chargeback Forms**”.
3. The Chargeback system should be used when a Servicing Dealer carries out Work:
 - a. on behalf of other Michelin Australia Dealers (“**Sponsor Dealer**”) via a request facilitated by Michelin Australia;
 - b. for Michelin Australia’s customers who are end users/fleet companies (“**Customer**”), at the request of Michelin Australia; and
 - c. on the Programmes initiated by Michelin Australia such as (but not limited to) Michelin Fleet Services and the Michelin Active Assistance Programme.
4. Michelin Australia requires the full co-operation of the Servicing Dealer to accurately complete the Chargeback Forms and promptly submit them to Michelin Australia in order for the Servicing Dealer to be paid for Work carried out.

2. PROCESS FOR REPORTING AND CHARGEBACK SERVICE PAYMENT

1. The following is the process to be followed by the Servicing Dealer who carries out Work on behalf of Michelin Australia, a Sponsor Dealer or for a Customer.
 - a. The Servicing Dealer shall ensure that each premises and on-site service vehicle which it uses to perform the Work meets legal requirements and has adequate documents to record the work performed.
 - b. The Servicing Dealer shall use these documents to record ALL the details of the Work performed.
 - c. The Servicing Dealer shall:
 - I. prior to commencing work, contact the customer and obtain a purchase order/work authorisation number, for customers who require this as a pre-condition for payment. It is the dealer’s responsibility to provide the customer with details for all Work due to be completed. Servicing Dealers are required to obtain purchase orders for jobs performed under the Michelin Active Assistance Programme. Due to the nature of work carried out under the Michelin Active Assistance Programme, there may be instances where purchase orders can be only obtained after Work has been completed.
 - II. obtain the full name of **the driver** of the vehicle or authorised representative of the Customer and ensure that they **sign** the record document (the Servicing Dealer’s job sheet) to verify that the Work has been carried out;
 - III. should any additional work be required, seek further authorisation from the Customer prior to completing additional work. Any work performed that has not been authorised under a customer’s purchase order number will not be credited to the dealer.

- d. The Servicing Dealer shall give the driver of the vehicle or the authorized representative of the Customer a copy of the Servicing Dealer's job sheet showing the Work performed.
 - e. The Servicing Dealer shall raise a Chargeback Form in the format prescribed by Michelin Australia (INBILL) and in accordance with the instructions found in the INBILL operations manual, and where applicable, send a copy by email to the Sponsor Dealer. The Servicing Dealer agrees and understands that at all times, the primary liability to pay for the Works rests with the Sponsor Dealer and Michelin Australia acts only as a facilitator with no liability to the Servicing Dealer for payments of any nature.
 - f. It is expected that the Servicing Dealer submits a Chargeback Form to Michelin Australia within 24 hours of completing the work.
 - g. However, as it is not always feasible to complete the Chargeback Form within 24 hours, Servicing Dealers have up to 7 days to submit the Chargeback Form. **Any Chargeback Forms submitted after 7 days from completion of the work will only be approved if the Servicing Dealer obtains written consent from the Customer and such consent is provided to Michelin Australia.**
 - h. If the Servicing Dealer completes the Chargeback Forms completely and accurately with all the information that is required by Michelin Australia, Michelin Australia shall credit the Servicing Dealer's account, with the rates associated with the Work and the relevant Program, within 7 working days of receipt of the Chargeback Forms.
 - i. Credits received by the Servicing Dealer may be subject to adjustment under the Service Operations Guide ("SOG") program. A separate agreement with the specific terms and conditions of the SOG program will be provided to the Servicing Dealer if applicable.
- 2. Incorrectly completed or incomplete Chargeback Forms shall be returned to the Servicing Dealer. In such event, the Servicing Dealer WILL NOT receive a credit for the Work unless the Servicing Dealer resubmits the Chargeback Form with correct and complete details of the Work, within 7 days of rejection by Michelin Australia.**

3. GENERAL

- 1. Any credits due or paid to the Servicing Dealer may be withheld or reversed if the Work has not met the standards set out in the SOG or if, for any valid reason, the Customer has refused to pay for the Work.
- 2. Where a Servicing Dealer incorrectly nominates the Customer on the Chargeback Form and does not advise Michelin Australia within seven (7) days of submitting the Chargeback Form, Michelin Australia will reverse all credits and invoices relating to that transaction and responsibility for obtaining payment shall pass to the Servicing Dealer.
- 3. Upon successful submission of Chargeback Forms, the Servicing Dealers will be credited for product supplied at the price in effect at the time of submission of the Chargeback Form, not the price that was in effect at the time of purchase of the products. No pricing adjustments will be paid where a pricing discrepancy occurs.
- 4. Products supplied through a Chargeback Form will potentially impact the Servicing Dealer's tally of tyres purchased from Michelin Australia, and as such, products claimed through the chargeback system will have an impact on the Servicing Dealer's agreed volume targets (Example: 100 Purchased units – 10 chargeback products = 90 total units purchased).
- 5. When the Servicing Dealer performs Services for specific Customers at the request of a Sponsor Dealer or Michelin Australia, the Servicing Dealer:
 - a. shall indemnify Michelin Australia against any loss, damage or liability suffered by or claimed against Michelin Australia and all related costs and expenses arising from any act or omission on the part of the Servicing Dealer in providing the agreed services;
 - b. shall supply and fit products in accordance with Michelin Australia's technical recommendations and in accordance with applicable laws and regulations, while ensuring that any product supplied meets the requirements of the vehicle, as defined by the vehicle manufacturer, to which the product is fitted. Should the Servicing Dealer supply a Product that does not meet these requirements, they will be required to remedy the issue as soon as practically possible, at their own expense;
 - c. shall perform the services according to the processes/procedures defined by Michelin Australia and in accordance with applicable laws and regulations. Should the Servicing Dealer perform a service that does not meet these requirements, they will be required to remedy the issue as soon as practically possible, at their own expense; and
 - d. shall maintain in full force and effect a comprehensive general public and product

liability policy with a per incident limit of liability of not less than \$10 million on an occurrence basis; to insure itself against any claims arising out of the products or services provided by the Servicing Dealer and provide a certificate of currency when requested by Michelin Australia.

- e. At all times, a Sponsor Dealer shall indemnify Michelin Australia and keep Michelin Australia indemnified for any costs and charges that it is liable to pay to other Servicing Dealers.
6. The Michelin Australia Chargeback Programme is for the facilitation of Michelin and BFGoodrich tyre products and tyre related services only. Any ancillary services must be approved in writing by the Michelin Direct Fleet department at Michelin Australia prior to work commencing.
7. The terms and conditions set out in this Michelin Australia Chargeback Programme may be updated by Michelin Australia from time to time can be found at <https://www.michelin-eorder.com.au> – under the tab titled “Legal”.

4. RIGHT TO AUDIT

- (a) The Servicing Dealer will make a reasonable effort to, at all times during the term of this Agreement and for any period required by any applicable laws, maintain all financial and related records (in whatever form they may be kept, whether written, electronic, or other) relating to or pertaining to this Agreement kept by or under the control of the Servicing Dealer, including, but not limited to those kept by the Servicing Dealer, its employees, agents, assigns, successors, and subcontractors. Such records shall include, but not be limited to, accounting records, written policies and procedures; subcontract files; other reimbursement supported by invoices; ledgers; cancelled cheques; deposit slips; bank statements; journals; original estimates; estimating Work sheets; contract amendments and change order files; back charge logs and supporting documentation; insurance documents.
- (b) The Servicing Dealer shall make a reasonable effort to, at any time requested by Michelin Australia whether any period required by any applicable laws, and at the Servicing Dealer's own expense, make such records available for inspection and audit (including copies and extracts of records as required) by Michelin Australia.
- (c) Such records shall be made available to Michelin Australia during normal business hours at the Servicing Dealer's office or place of business upon five (5) days written notice.
- (d) In the event that no such location is available, then the financial records, together with the supporting or underlying documents and records, shall be made available for audit at a time and location that is convenient for Michelin Australia and the Servicing Dealer.
- (e) The Servicing Dealer shall, to the extent reasonably possible, ensure Michelin Australia has these rights with the Servicing Dealer's employees, agents, assigns, successors and subcontractors, and the obligations of these rights shall be explicitly included in agreements formed between the Servicing Dealer and any subcontractors to the extent that those subcontracts or agreements relate to fulfilment of the Servicing Dealer's obligations to Michelin Australia or the Customer.