

Michelin-Scotland Alliance

Memorandum of Understanding

between

**MANUFACTURE FRANCAISE DES PNEUMATIQUES
MICHELIN**

and

SCOTTISH ENTERPRISE

and

THE DUNDEE CITY COUNCIL



Memorandum of Understanding (“MoU”)

between

Scottish Enterprise, a non-departmental public body established by the Enterprise and New Towns (Scotland) Act 1990, having its principal office at Atrium Court, 50 Waterloo Street, Glasgow, G2 6HQ (hereinafter referred to as “**SE**”)

and

DUNDEE CITY COUNCIL a Local Authority established under the Local Government (Scotland) Act 1994 and having its principal office at 21 City Square Dundee DD1 3BY (hereinafter referred to as the “**City of Dundee**”)

and

Manufacture Française des Pneumatiques Michelin, a company with its registered office at Place des Carmes Déchaux 63040 Clermont-Ferrand France commercial registration number 855 200 507 RCS Clermont-Ferrand (hereinafter referred to as “**MFPM**”)

SE, the City of Dundee and MFPM are together referred to as the “**Parties**” and each individually as the “**Party**”

Whereas

- (A) MFPM’s affiliate, Michelin Tyre PLC (“**MTPLC**”) has announced its intention to cease tyre manufacturing at its manufacturing facility in Dundee, Scotland.
- (B) Further to such announcement, representatives of MFPM, MTPLC, SE, the City of Dundee and the Scottish government met in Edinburgh on 23 November 2018 to discuss the implications of such a cessation for the City of Dundee and surrounding area.
- (C) In connection with such discussions, the government of Scotland and SE presented a proposed Circular Economy Innovation Parc initiative, which initiative, in view of the MTPLC announcement, they are considering basing out of Dundee.
- (D) MFPM and MTPLC, in turn, shared with their counterparts a series of potential initiatives which could contribute to the economic development of the Dundee area, assist the MTPLC employees at the Dundee site in transiting to new work opportunities, and assist the Scottish government, SE, and the City of Dundee in connection with the proposed Circular Economy Innovation Parc project.
- (E) SE is Scotland’s main economic development agency and works with partners in the public and private sectors to create economic opportunities and attract new investment to Scotland.
- (F) The Parties concluded at the November meeting that it would be beneficial to establish a joint working group to study further the contemplated MFPM/MTPLC initiatives and the proposed Circular Economy Innovation Parc project with a view toward agreeing on specific areas of cooperation consistent

with the objectives articulated by MFPM, MTPLC, and their Scottish counterparties (the “**Purpose**”), and in particular the Circular Economy Innovation Parc in Dundee City and its proposed focus on sustainable transport and low carbon energy, which project if delivered would be called the Michelin-Scotland Innovation Parc (“**MSIP**”).

- (G) The Parties now wish to establish a powerful and ambitious Michelin-Scotland Alliance to interact with key decision makers at local, regional, national and international levels and having a shared ambition and passion focused on realising opportunities for people, places and the future of our planet. The Alliance will work as an ambitious and innovative partnership to lead the development of projects intended to create more and better jobs and to secure the best possible outcome for the Michelin workforce, the Dundee site, the surrounding area, and the Scottish economy through the eventual delivery of employment and retraining opportunities for staff and renewed investment and/or repurposing of the Dundee site.
- (H) It is further intended that the Parties promote a “One Scotland” approach with all key Scottish local, regional and national partners working together. A list of initial partners in the Michelin-Scotland Alliance is attached at Appendix 1.

It is agreed as follows:

1. The Parties will work together collaboratively through the Michelin-Scotland Alliance in respect of the Purpose and will exchange information which is relevant thereto.
2. SE will carry out the following activities in support of the Purpose:
 - a. Establish a dedicated SE and partner Programme Management Team including a SE Programme Office and Programme Director for the Michelin-Scotland Alliance;
 - b. Establish a One Scotland approach by engaging all relevant local, regional and national organisations in the Michelin-Scotland Alliance
 - c. Co-chair the Michelin- Scotland Alliance Steering Group;
 - d. Introduce and facilitate strong positive relationships between MFPM and/or MTPLC and relevant partner organisations and professional advisers;
 - e. Through the SE programme management office, work collaboratively with MFPM and/or MTPLC to consider what financial incentives may be available to them in support of the delivery of their objectives;
 - f. Working with Scottish Government, liaise with the UK Government and its agencies to enable SE to provide MFPM and/or MTPLC with specialist advice on access to UK programmes and funding sources;
 - g. Through the SE programme management office, facilitate introductions to the Scottish Investment Bank and potential private sector co-investors; and
 - h. Through SE’s business infrastructure team, provide advice and support on dynamic asset management of the Michelin Dundee facility to facilitate new operations and investors to be accommodated in parallel with MTPLC’s phased exit from tyre production.
3. City of Dundee will carry out the following activities in support of the Purpose:
 - a. Establish close liaison between the Michelin-Scotland Alliance and the developing Tay Cities Deal programme during the period of the MoU to ensure alignment and avoid duplication of effort; and

- b. Leading on communication with and provision of updates to local community stakeholders as appropriate.
4. MFPM will carry out the following activities in support of the Objectives:
 - a. Work collaboratively with SE on the Purpose and in particular provide relevant information to SE to allow discussions between the Parties to progress in a meaningful way.
 - b. Identify a senior lead for the Michelin-Scotland Alliance;
 - c. Co-chair the Michelin- Scotland Alliance Steering Group;
 - d. Introduce SE to relevant people within the Michelin Group in support of the delivery of the Purpose;
 - e. Collaborate as appropriate with Michelin-Scotland Alliance partners to ensure aligned, balanced communications to workforce, community and wider industry/business both in Scotland and internationally; and
 - f. Invite SE to showcase Scottish innovation at the Movin' On World Summit on sustainable mobility.
5. No Party will publicise any of this MoU or its existence or signing without the prior written consent of the other and in the event of publication of this MoU the Parties will agree the timing and content of an appropriate announcement and related communications. Any exchanges of confidential information between MFPM/MTPLC, on the one hand, and SE and/or the City of Dundee, on the other hand, or between MFPM/MTPLC and third parties such as non-Michelin members of the Michelin-Scotland Alliance, shall be made subject to appropriate non-disclosure arrangements.
6. Other than clauses 5, 6, 7, and 8, which shall be legally binding and enforceable upon the Parties, this MoU is an expression of co-operation and collaboration, is intended to be non-binding and is not intended to create any legal relationship between the Parties (or any other party) such as an agent, joint venture, partner, or fiduciary. Nothing herein shall require the Parties, or MTPLC, to enter into any definitive agreements regarding the Purpose. No Party shall be liable to the other Parties for any damages, losses, and in particular: special, incidental, exemplary, indirect, or consequential damages, or lost profits, business, value, revenue, goodwill, or anticipated savings.
7. Where legal regulation is necessary this MoU shall be governed by and construed in accordance with Scots law, and the Scottish courts shall have exclusive jurisdiction to settle any connected disputes.
8. Without prejudice to clause 6, certain principles more commonly seen in legally binding agreements are important to the Parties and so the Parties agree as follows:
 - 8.1. This MoU shall come into effect upon the last date of its signing and, unless terminated pursuant to clause 8.2, shall remain in force until 1 January 2022. The Parties may extend the term of this MoU by mutual written agreement.
 - 8.2. MFPM may terminate this MoU on written notice to SE and the City of Dundee, and SE and the City of Dundee may terminate this MoU upon written joint notice to MFPM, in which case the Parties shall be free from any obligation under this MoU.

- 8.3. No Party shall be liable for the actions or omissions of the other Parties or have any claim against any other Parties for any subsequent failure to conclude any agreement.
- 8.4. No Party shall be authorised to make any commitments or statements on behalf of the other and incur any third-party costs for the account of any other Parties.
- 8.5. Unless the Parties otherwise specifically agree in writing each Party shall pay its own costs and expenses in respect of this MoU and the work following upon it.
- 8.6. This MoU is personal to the Parties and no Party shall assign any or all of its rights and obligations under this MoU without the prior written consent of the other Parties, provided, however, that MFPM may assign any or all of its rights or obligations under this MoU to MTPLC or any other affiliate. Moreover, any eventual undertakings concerning MTPLC, such as the disposition of its assets, shall be made by the relevant governing body of MTPLC.
- 8.7. This MoU contains the entire understanding of the Parties regarding the subject matter set forth herein and supersedes any course of dealing, discussions or representations made by and between the Parties.

For: **MFPM**

Remi de Verdilhac
Secretary General
and Authorised Representative

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Signed

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Date

For: **Scottish Enterprise**

Steve Dunlop
Chief Executive Officer

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Signed

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Date

For: **The Dundee City Council**

John Alexander
Leader of the Administration

.....
Signed

.....
Date

Appendix 1 – Initial partners in Michelin-Scotland Alliance

Michelin
Scottish Government
Scottish Enterprise
Dundee City Council
Scottish Futures Trust
Skills Development Scotland
Transport Scotland
Zero Waste Scotland
UK Government