



Memorandum of Understanding

Between

Barez Industrial Group

&

UCAPLAST

This Memorandum of Understanding (MOU) sets for the terms and understanding between *Barez Industrial Group* and *UCAPLAST* to develop and expand a framework of cooperation. The main goal is to improve quality of processes and products by training and mutual learning cooperation.

A) Background

It has been started Barez industrial group since 24 years. The day Barez was being established in Kerman, this prediction that Barez would become the leading tire manufacturer among all the competitors in Iran and Middle East seemed far beyond imagination. During these years, despite of all the threats including the competition market in terms of quality,

the changing trend of tire types needed in Iran market and the importance of fuel efficiency tires, Barez group has tried to supply a major segment of today's national need as well as future's, by identifying key factors and analyzing the Iran market conditions. Toward this goal, the Barez leaders and managers are trying to implement development programs, promote and update technical knowledge and manufacturing machines. As a result they increase the production volume and variety of products.

Consequently Barez has been positioned itself as close as possible to the global manufacturing scales and in terms of production volume, Barez, is the leader in the country. Reaching the production capacity of 140,000 tons per year by establishing its new plant named "Barez Kordestan" and expanding Barez Kerman factory are features of Barez developments.

Another point that is highly considered by Barez in production, has been customer requirement: such as quality, size and pattern. To achieve this objective, in addition to the increase of product variety and type, Barez has tried to adopt the global production of Radial Tires and launched to the Truck Radial tires, Passenger car, SUV, Van Radial tires and Off Road tires successfully. So the most complete product group in the Iran market belongs to Barez.

In terms of technology and equipment, Barez tires are being produced based on recent technology, knowledge and full automated machines purchased from Continental company in Germany. In terms of Barez quality control is using the advance equipment including the full automated uniformity test machinery and controlling the construction of Radial Tires with X ray, handling test, fuel consumption assessment, braking test and ...in its new car & tire test ground which established base on technology of IDIADA in Spain. These approaches has been the reason that Barez Tires are now safer, resulting more comfortable driving, more durable and become more popular and acceptable in the consuming market.

Barez industrial group has had long term cooperation with 18 automotive manufacturers including Iran Khodro, Iran Khodro Deisel, Saipa, Saipa Deisel and Zamiad. Barez has got certificates from international car manufacturers such as Renault, Benz (for Heavy vehicles), Iveco and Peugeot. Barez is the main tire supplier for two Iranian trailer manufacturers, Mamut and Maral.

In tire replacement market as well, Barez has tried to be responsive to the customer demands and has established national sale systems, regular control, price monitoring and increased the volume of market surveys in the tire market. Having more than 300 dealer and more than 130 after sales services warranty in Iran, Barez has the extended distribution channel in the country.

For to strengthen the relationship with customers and promote technical training, Barez has developed tire correct consumption culture and to reduced fuel consumption by holding training seminars all around the country as well as printing and distributing of training flyers.

B) Purpose

This MOU will develop cooperation between Barez industrial group and UCAPLAST experts. Activities that are planned for this cooperation are listed below:

- Tire design
- Compound design
- Tire production management
- Raw material quality and specification
- HSE
- Maintenance & repair
- Logistic management
- *Tire recycling*

C) Addendum of MOU

C-1) Pars Marlik Aria Co. as an active firm in Event Management and Market Analysis in order to perform related services such as: visa application of UCAPLAST members, until the contract is concluded and executed.

C-2) Iran Polymer and petrochemical Institute (IPPI) as a Scientific and Research Center. In order to perform related services such as: laboratory, technical and engineering services, until the contract is concluded and executed.

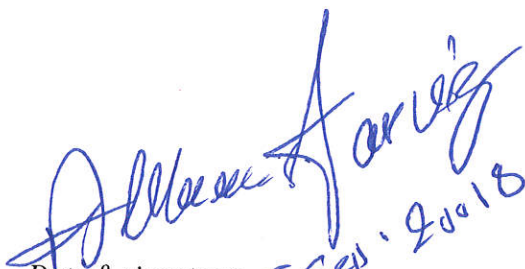
Services of these two institutes (Pars Marlik Aria & IPPI) are related to requesting of both Barez Industrial Group and UCAPLAST in this MOU.

Contact Information

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Parviz Akhavan


Date & signature: 25 Sep. 2018

(Chief Executive Officer of Barez industrial group)

Denis Vaillant


Date & signature: 25 Septembre 2018.

(President of UCAPLAST)