



NOTICE OF MEETING ***2016***

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

Friday, May 13, 2016, 9 a.m. at the Polydome, place du 1^{er} mai,
Clermont-Ferrand (Puy-de-Dôme), France



MICHELIN

A better way forward

/	AGENDA	4
/	2015 BUSINESS REVIEW	6
/	REPORT OF THE CHIEF EXECUTIVE OFFICER AND PROPOSED RESOLUTIONS	13
/	REPORT OF THE SUPERVISORY BOARD	47
/	STATUTORY AUDITORS' REPORTS	51
/	FIVE-YEAR FINANCIAL SUMMARY OF COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN	56
/	PARTICIPATION IN THE SHAREHOLDERS' MEETING	57
/	DOCUMENT REQUEST	61

Notice of Meeting sent to joint owners of shares

Pursuant to the provisions of article R. 225-68 of the French Commercial Code, the Notice of Meeting must be sent to all joint owners of our Company's shares.

Please note that since, pursuant to the provisions of article L. 225-110 of the French Commercial Code, the joint owners are to be represented by a single person, the proxy form and the mail voting form for the Meeting will be sent to the appointed representative of the joint ownership, whose name is carried in our register.

**MESSAGE FROM THE CHIEF
EXECUTIVE OFFICER**

Jean-Dominique Senard

Managing Partner /
Chief Executive Officer of the Michelin Group



***"I ATTACH GREAT IMPORTANCE
TO THIS MOMENT OF DIALOGUE
AND TO YOUR PARTICIPATION
IN THE VOTING PROCESS"***

DEAR MICHELIN SHAREHOLDER,

We are pleased to invite you once again to the Annual Shareholders Meeting, where you will be asked to vote on both ordinary and extraordinary resolutions.

Among the ordinary resolutions, you will be asked to approve the 2015 financial statements and the appropriation of net income for the year.

This year, we will be recommending a dividend of €2.85 per share, up 14% from last year. This amount represents a payout rate of 37% of consolidated net income before non-recurring items, a sign of our confidence in the future.

In the other ordinary resolutions, you will be asked, as every year, to renew the authorization to buy back shares. This authorization would replace that granted for the same purpose by the Annual Shareholders Meeting of May 23, 2015 and utilized during the period to buy back and cancel nearly 5 million shares, representing 2.7% of the capital.

We have also submitted a "say on pay" resolution so that you can express your opinion on the components of the compensation package due or paid to me in respect of 2015 as Chief Executive Officer.

In addition, you will be asked to re-elect Anne-Sophie de la Bigne and Jean-Pierre Duprieu to the Supervisory Board and to ratify the appointment of a new Supervisory Board member, Monique Leroux. You will also be asked to re-appoint or appoint, as appropriate, for a six-year term, PricewaterhouseCoopers Audit and Deloitte & Associés as Statutory Auditors, and B.E.A.S. and Jean-Baptiste Deschryver as their substitutes.

Among the extraordinary resolutions, you will be asked to renew a certain number of financial authorizations, which, if necessary, will allow us to provide the Company with financial resources aligned with its needs.

As always, the Annual Shareholders Meeting represents an invaluable opportunity for my team and myself to exchange views and talk with you in more detail about the life of your Company, its strategy, its results and its outlook.

I attach great importance to this moment of dialogue and to your participation in the voting process, which expresses your confidence in the Company. For this reason, I hope that shareholder attendance at the Meeting will once again be high.

Sincerely yours



AGENDA

Shareholders of Compagnie Générale des Établissements Michelin are hereby informed that the Annual Shareholders' Meeting will be held on Friday, May 13, 2016 at 9:00 am at the Polydome, place du 1^{er}-Mai, Clermont-Ferrand (Puy-de-Dôme, France). The agenda of the Meeting is as follows:

- ▶ Report of the Chief Executive Officer.
- ▶ Report of the Supervisory Board.

ORDINARY RESOLUTIONS

- ▶ Report of the Chairman of the Supervisory Board prepared in accordance with Article L. 226-10-1 of the French Commercial Code.
- ▶ Statutory Auditors' Reports on the Company financial statements and the consolidated accounts for the year ended December 31, 2015, the Statutory Auditors' Special Report on the agreements governed by Article L. 226-10 of the French Commercial Code, and the Statutory Auditors' Report on the Company's internal control and risk management procedures.
- ▶ Approval of the Company financial statements for the year ended December 31, 2015.
- ▶ Appropriation of net income for the year ended December 31, 2015 and approval of the recommended dividend.
- ▶ Approval of the consolidated financial statements for the year ended December 31, 2015.
- ▶ Related-party agreements.
- ▶ Authorization for the Chief Executive Officer to put in place a share buyback program, except during a public offer period, based on a maximum purchase price per share of €140.
- ▶ Advisory vote on the components of the compensation due or awarded for 2015 to Jean-Dominique Senard, Chief Executive Officer.
- ▶ Re-election of two Supervisory Board members.
- ▶ Ratification of the appointment of a Supervisory Board member.
- ▶ Supervisory Board compensation.
- ▶ Renewal of the appointment of two Statutory Auditors and a Substitute Auditor.
- ▶ Appointment of a Substitute Auditor.
- ▶ Authorization for the Chief Executive Officer to issue bonds and debt-linked securities.

EXTRAORDINARY RESOLUTIONS

- ▶ Statutory Auditors' special reports.
- ▶ Authorization for the Chief Executive Officer to issue shares and/or securities carrying rights to shares, with pre-emptive subscription rights for existing shareholders.
- ▶ Authorization for the Chief Executive Officer to issue shares and/or securities carrying rights to shares, through a public offer, without pre-emptive subscription rights for existing shareholders.
- ▶ Authorization for the Chief Executive Officer to issue shares and/or securities carrying rights to shares through an offer governed by paragraph II of Article L. 411-2 of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders.
- ▶ Authorization for the Chief Executive Officer to increase the number of securities to be issued in the event that an issue (with or without pre-emptive subscription rights) is oversubscribed.
- ▶ Authorization for the Chief Executive Officer to increase the Company's capital by capitalizing reserves, income or additional paid-in capital.
- ▶ Authorization for the Chief Executive Officer to increase the Company's capital by issuing ordinary shares, without pre-emptive subscription rights for existing shareholders, in connection with a stock-for-stock offer or in payment of contributed assets.
- ▶ Authorization for the Chief Executive Officer to carry out a rights issue for members of a Group Employee Shareholder Plan and/or restricted share issues, without pre-emptive subscription rights for existing shareholders.
- ▶ Blanket ceilings on issues of shares, securities carrying rights to shares or debt securities.
- ▶ Authorization for the Chief Executive Officer to reduce the Company's capital by canceling shares.
- ▶ Authorization for the Chief Executive Officer to grant performance shares to employees of the Company and of its subsidiaries (other than the Chief Executive Officer), without pre-emptive subscription rights for existing shareholders.
- ▶ Powers to carry out formalities.



2015 BUSINESS REVIEW

HIGHLIGHTS

- ▶ An operating income of €2,577 million before non-recurring items, up €407 million.
- ▶ Tonnages up 3.2%, outpacing the market in all business segments, especially in Passenger car and Light truck tires (up 6.7%).
- ▶ A Significant increase in operating margin thanks to a very good second half (12.3%), particularly for:
 - Passenger car and Light truck tires: 12.2%, up 2.6 points *versus* second-half 2014
 - Truck tires: 11.1%, up 2.6 points *versus* second-half 2014
 - Good resilience in Specialty tires: 18.6% for the full year
 - The price mix/raw materials effect had a €105 million positive impact in the second half, as expected.
- ▶ Strong free cash flow, at €965 million before €312 million in acquisitions, reflecting €1,804 million in capital expenditure, down from 2014.
- ▶ The competitiveness plan resulted in €261 million in gains over the year, once again offsetting the increase in production costs and overheads.
- ▶ A new tranche of the share buyback plan launched in January 2016, following on from the 2015 buyback and cancellation of €451 million in Michelin shares, representing 2.7% of issued capital.
- ▶ Dividend of €2.85 per share, reflecting management's confidence in the Group's future and representing a payout ratio of 37% to be submitted to Shareholders at the Annual Meeting on May 13, 2016.

MARKET REVIEW

Passenger Car and Light Truck Tires

% YoY change (in number of tires)	Europe including Russia & CIS*	Europe excluding Russia & CIS*	North America	Asia (excluding India)	South America	Africa/ India/ Middle East	Total
Original equipment	+4%	+7%	+4%	+1%	-19%	+8%	+2%
Replacement	+3%	+6%	+1%	+3%	+1%	+5%	+3%

/ Original equipment

- ▶ In Europe, the 4% overall increase in demand reflected the combined impact of a robust 7% gain in the West and a 24% decline in the East in a persistently difficult economic environment.
- ▶ The North American market remained buoyant, expanding by 4% over the year on the back of strong vehicle demand, low fuel prices and favorable economic conditions.
- ▶ Demand in Asia (excluding India) ended the year up 1% overall. While cooling to 5% from 9% in 2014, the Chinese market continued to expand, thanks to a government subsidy-led rebound in compact car sales and the sustained popularity of SUV models. Other markets in the region, which are more export-driven, declined by an aggregate 5% over the year.
- ▶ Demand retreated 19% in South America, in line with the decline in local automobile output as Brazil and Argentina remained mired in recession.

/ Replacement

- ▶ The European market saw a 3% increase over the year. Demand rose by 6% in Western Europe, led by dealer export volumes to non-euro markets and,

to a lesser extent, by fast growth in summer tire sales and sustained demand for entry-level lines. Winter tire sell-in eased back 1%. In the still difficult Eastern European economy, demand continued to drop, losing 7% over the year.

- ▶ The North American market ended the year up 1% overall, as strong growth in Mexico offset nearly flat demand in the United States and Canada. Low fuel prices and an increase in vehicle miles traveled helped to drive 5% growth in the number of tires sold by members of the Rubber Manufacturers Association, while import sales fell 14% as dealers cleared out inventory built up ahead of the introduction of customs duties on Chinese tires.
- ▶ Demand in Asia (excluding India) rose by 3% overall, driven by the sustained strong growth in the Chinese market (up 8%). Markets in the rest of the region eased back by an aggregate 1%, with a 4% contraction in Japan and continued expansion in Indonesia and Thailand.
- ▶ South American demand rose 1% overall in a mixed economic and political environment, reflecting a 3% gain in Brazil with a decline in imports, an upward trend in the Pacific coast markets and a contraction in Argentina and Venezuela.

Truck Tires (Radial and Bias)

% YoY change (in number of tires)	Europe including Russia & CIS*	Europe excluding Russia & CIS*	North America	Asia (excluding India)	South America	Africa/ India/ Middle East	Total
Original equipment	+7%	+11%	+7%	-19%	-48%	+16%	-7%
Replacement	+1%	+7%	+4%	-3%	-8%	+1%	-1%

/ Original equipment

- ▶ The European market rose by 7% over the year, with demand gaining a faster 11% in the West but remaining deeply depressed in the East, where the troubled economic and political situation caused a 20% drop over the period.
- ▶ The North American market climbed 7% over the year, but growth slowed quarter after quarter due to high prior-year comparatives. The strong demand is being underpinned by the sustained production of new trucks to replace relatively aging fleets in a still favorable economic environment.
- ▶ Demand for radial and bias tires in Asia (excluding India) declined by 19% overall. China saw a 21% drop due to the slowdown in manufacturing output and the ongoing optimization across the freight and passenger transportation chain. In the rest of the region, demand slid 12% overall, with steep declines in Indonesia and South Korea partly offset by an upturn in Thailand off of very low prior-year comparatives.
- ▶ In South America, the market plummeted 48% over the year in a very difficult economic environment. The Brazilian market dropped 51% after truck and bus production was suspended in response to both weaker domestic demand and the decline in exports of Brazilian-made trucks due to the economic difficulties in Argentina and Venezuela.

/ Replacement

- ▶ In Europe, the market edged up 1% overall, with the decline in Russia easing somewhat in the second half. Demand rose 7% in Western Europe, lifted by the increase in tonnes carried/km, the growing low-cost tire imports from Asia hitting the retread segment, and dealer exports to non-euro markets on the back of the weaker euro. In Eastern Europe, demand continued its precipitous decline due to the difficulties in Russia, losing 11% over the period.
- ▶ In North America, the market remained as strong as ever, rising by 4% thanks to sustained demand for freight services in a vibrant economy.
- ▶ Demand for replacement radial and bias tires in Asia (excluding India) was down by 3% for the year, with the Chinese market losing 3% as the cooling economy weighed on freight demand. Markets in the rest of the region also waned, with a significant decline in Thailand and, to a lesser extent, Japan, where demand fell off sharply from the heights reached in early 2014 ahead of the increase in the VAT rate.
- ▶ The South American radial and bias replacement market contracted by 8% overall and to a greater extent in Brazil, in a challenging economic environment.

Specialty Tires

► **Earthmover tires:** the mining tire market contracted significantly for the second year in a row, as operators further reduced inventory and used fewer tires due to production scale-backs and productivity gains.

OE demand ended the year down in the mature markets (despite a turnaround in the fourth quarter) and fell sharply in China.

Demand for tires used in infrastructure and quarries increased in the mature markets, led by North America.

► **Agricultural tires:** although OE demand leveled off in the fourth quarter, it ended the year down sharply in the mature markets, dampened by lower farm commodity prices and extensive replacement sales of farm machinery in recent years. Replacement demand also softened in the mature markets for the same reasons.

► **Two-Wheel tires:** the motorcycle and scooter tire markets improved in both mature and emerging geographies.

► **Aircraft tires:** demand in the commercial aviation segment continued to grow, led by the increase in passenger traffic.

2015 NET SALES AND RESULTS

Net Sales

Net sales stood at €21,199 million for the year, up 8.4% from 2014 due to the combined impact of the following main factors:

- A €624 million increase from the 3.2% growth in volumes, which outpaced the market.
- The €687 million or 3.4% negative effect of changes in the price mix. Price adjustments reduced net sales by €715 million, of which one third corresponded to the application of indexation clauses based on raw materials prices. The mix effect was positive

at €28 million, reflecting the still highly favorable product mix, less the adverse impact of i) the geographic mix; ii) the relative increase in sales of entry-level tires and original equipment fittings; and iii) the decline in Earthmover tire sales.

- A €256 million increase from the consolidation of Sascar, the Brazilian leader in digital fleet management, German wholesaler Ihle and Black-circles.com, the UK's leading online tire retailer.
- A €1,453 million increase from the currency effect.

Results

Operating income before non-recurring items amounted to €2,577 million or 12.2% of net sales, compared with the €2,170 million and 11.1% reported in 2014. The €370 million in net non-recurring expenses mainly consisted of restructuring costs related to the Group's competitiveness improvement projects, particularly in Europe.

Operating income before non-recurring items reflected the €231 million increase from volume growth and the net impact of actively managing the price mix, which was a negative €687 million given the €594 million positive impact from lower raw materials costs.

Note that the Group was able to continue leveraging the favorable effect of currency movements, adding €437 million in a particularly competitive marketplace shaped by overcapacity in Asia and falling raw materials prices. Operating income also reflected the expected increase in depreciation and amortization expense, to €148 million. Lastly the €261 million in gains from the ongoing competitiveness plan helped to offset, as forecast, the €271 million increase in production costs and overheads.

Net income came in at €1,163 million.

Net Financial Position

Free cash flow rose by €243 million over the year to **€965 million** before acquisitions. A total of €312 million was committed to acquisitions, in particular to form a joint venture with Barito Pacific Group to produce eco-responsible natural rubber in Indonesia and to acquire all outstanding shares of Blackcircles.com and 90% of Livebooking Holdings (BookaTable). In addition, capital expenditure totaled €1,804 million for the year.

Taking into account free cash flow, €312 million in acquisitions, €451 million in share buybacks and the issuance of €802 million in 7-year, 12-year and 30-year bonds, **gearing stood at 11%** at December 31, 2015, corresponding to net debt of €1,008 million, compared with 7% and €707 million at December 31, 2014.

In 2015, after-tax return on capital employed (ROCE), at 12.2%, created value, compared to Group's weighted average cost of capital. In 2016, Michelin aims at an after-tax ROCE in excess of 11%.

Segment Information

<i>(in € millions)</i>	Net sales		Operating income before non-recurring items		Operating margin before non-recurring items	
	2015	2014	2015	2014	2015	2014
Passenger car/Light truck tires & related distribution	12,028	10,498	1,384	1,101	11.5%	10.5%
Truck tires & related distribution	6,229	6,082	645	495	10.4%	8.1%
Specialty businesses	2,942	2,973	548	574	18.6%	19.3%
CONSOLIDATED TOTAL	21,199	19,553	2,577	2,170	12.2%	11.1%

Passenger car/Light truck tires & related distribution

Net sales in the Passenger car/Light truck tires & related distribution segment rose by 14.6% in 2015, to €12,028 million from €10,498 million the year before.

Operating income before non-recurring items amounted to €1,384 million or 11.5% of net sales, versus €1,101 million and 10.5% in 2014.

The one-point gain in operating margin before non-recurring items was led mainly by the steady 6.7% increase in tonnages, which was considerably more than the market's 2% growth and very evenly spread among brands, segments and geographies. The success of the new MICHELIN CrossClimate, MICHELIN Premier LTX, BFGoodrich KO2 and BFGoodrich g-Force

Comp 2 A/S lines drove robust growth in sales of the MICHELIN brand (up 6%), 17-inch and larger tires (up +13%) and the other Group brands (up 10%). Prices declined over the year, reflecting the application of raw materials indexation clauses in the OE segment and the repositionings implemented in 2014 and 2015 in the replacement segment. The highly favorable impact from the product mix was attenuated by the shift in the brand mix following the strong growth in Tier 2 and Tier 3 sales.

In the Passenger car and Light truck segment, the Group has set a 2016-2020 target of delivering an operating margin before non-recurring items of 11-15% of net sales.

Truck tires & related distribution

Net sales in the Truck tires & related distribution segment stood at €6,229 million, versus €6,082 million in 2014.

Operating income before non-recurring items came to €645 million or 10.4% of net sales, compared with the €495 million and 8.1% reported a year earlier.

The 2.3-point margin improvement was primarily led by resilient volumes (up 0.3%), despite a 2% decline in the global Truck tire market, as strong growth in OE sales in mature markets balanced out difficulties in

the retread segment and the new intermediate lines introduced in South America, the Africa/Middle East region and Southeast Asia got off to a favorable start. Effective management of the business, particularly in the areas of price positioning, supplying growth markets and cost control, also contributed to the sustained improvement in margin performance.

In the Truck tires segment, the Group has set a 2016-2020 target of achieving an operating margin before non-recurring items of 9-13% of net sales.

Specialty businesses

Net sales by the Specialty businesses stood at €2,942 million for the year, virtually unchanged from the €2,973 million reported in 2014.

Operating income before non-recurring items amounted to €548 million or 18.6% of net sales, versus the €574 million and 19.3% reported the year before.

Although operating margin was lifted by the currency effect, it was adversely impacted by the 4% decline in volumes in a market that shrank by 6% over the

year due to mining company inventory drawdowns, the fall-off in mining output and the worldwide contraction in agricultural tire demand. At the same time, unit margins were squeezed by the time lag impact of price adjustments under raw materials indexation clauses.

In the Specialty businesses, the Group has set a 2016-2020 target of generating an operating margin before non-recurring items of 17-24% of net sales.

COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN

Compagnie Générale des Établissements Michelin ended the year with net income of €590 million, compared with €555 million in 2014.

The financial statements were presented to the Supervisory Board at its meeting on February 11, 2016. An audit was performed and the auditors' report was issued on February 15, 2016.

The Chief Executive Officer will call an Annual Shareholders Meeting on Friday, May 13, 2016 at 9:00 am in Clermont-Ferrand.

He will ask shareholders to approve the payment of a dividend of €2.85 per share, compared with €2.50 in respect to the previous year.

OUTLOOK FOR 2016

In 2016, demand for Passenger car, Light truck and Truck tires is expected to continue rising in the mature markets and remain in line with 2015 trends in the new markets. Demand for Specialty tires is expected to continue to be affected by mining company inventory drawdowns.

In this environment, Michelin's objectives for 2016 are volume growth in line at least with global trends in its operating markets, an increase in operating

income before non-recurring items at constant exchange rates, and structural free cash flow of more than €800 million.

For 2016-2020, the Group set ambitious targets in terms of operating margins before non-recurring items, between 11% and 15% in the Passenger car and Light truck tire segment, 9% and 13% in the Truck tire segment and 17% and 24% in the Specialty segment.



REPORT OF THE CHIEF EXECUTIVE OFFICER AND PROPOSED RESOLUTIONS

Introduction

Ongoing dialogue between shareholders and issuers, both before and after Annual Shareholders Meetings, is essential to enable shareholders to effectively exercise their role, and for companies to enhance their communications.

One of the ways that companies can ensure the effectiveness of such dialogue is by making additional efforts to clearly explain the content, rationale and import of the resolutions submitted for shareholder approval.

In its "Final Report on General Meetings of Shareholders of Listed Companies" published on July 2, 2012, a working group set up by the French securities regulator (the AMF) proposed, inter alia, that the titles of resolutions put forward at Shareholders Meetings should be more understandable and that the wording of the statement of reasons for each proposed resolution should be improved in order to clarify what is to be voted on and what is at stake in shareholders' decisions. Following this proposal, the AMF called on the trade associations concerned

to draft a guide that explains the objectives and procedures for each type of resolution.

In response to this request, the Committee of Corporate & Securities Law and Corporate Governance that forms part of the French employers' federation (the MEDEF) coordinated the preparation of a guide concerning "*Proposed resolutions submitted to the vote of shareholders of listed companies*" prepared in 2013 and updated in 2016 (hereinafter referred to as the "MEDEF Guide" or the "Guide"), which is available ⁽¹⁾ on the MEDEF's website at www.medef.com/. Consequently, for each financial authorization to be submitted for approval at the May 13, 2016 Annual Shareholders Meeting, this report refers to the corresponding information sheet in the Guide.

The resolutions set in blue type below are the resolutions proposed by the Company that will be included in the Notice of Meeting published in the *Bulletin des annonces légales obligatoires*. Each shareholder will also be sent a copy of the Notice of Meeting within the period prescribed by law.

ORDINARY RESOLUTIONS (RESOLUTIONS N°1 TO 15)

First and second resolutions

/ Approval of the Company financial statements for the year ended December 31, 2015

/ Appropriation of net income for the year ended December 31, 2015 and approval of the recommended dividend

The 1st and 2nd resolutions concern approval of the Company's 2015 financial statements and appropriation of net income for the year.

Shareholders are invited to approve the transactions reflected in the Company's income statement and balance sheet, as presented, and to appropriate net income for the year which amounts to €589,683,866.94.

After deducting €6,980,407.43 attributable to the General Partners in accordance with the bylaws, the balance of €582,703,459.51 plus €147,894,997.52 in retained earnings brought forward from prior years represents a total of €730,598,457.03 available for distribution to shareholders.

(1) In French only.

We are recommending paying a 2015 dividend of €2.85 per share.

In order to qualify for the dividend payment, beneficiaries must be shareholders of record at midnight (CET) on May 18, 2016 (the record date).

The ex-dividend date will be May 17, 2016.

The dividend will be paid as from May 19, 2016.

The amount of the dividend corresponding to the treasury shares held on the payment date will be allocated to retained earnings.

First resolution **(Approval of the Company financial statements for the year ended December 31, 2015)**

Having considered the reports of the Chief Executive Officer, the Statutory Auditors and the Supervisory Board, the Ordinary Shareholders Meeting approves the Company financial statements for the year ended December 31, 2015 which show net income for the period of €589,683,866.94.

The Ordinary Shareholders Meeting also approves the transactions reflected in these financial statements and referred to in these reports, including those relating to the various provision accounts.

Second resolution **(Appropriation of net income for the year ended December 31, 2015 and approval of the recommended dividend)**

On the recommendation of the Chief Executive Officer (as approved by the Supervisory Board), the Ordinary Shareholders Meeting notes that the total amount available for distribution is as follows:

- ▶ Net income for the year: €589,683,866.94.
- ▶ Share of profits attributed to the General Partners in accordance with the bylaws: €6,980,407.43.
- ▶ Balance: €582,703,459.51.
- ▶ Plus retained earnings brought forward from prior years: €147,894,997.52.
- ▶ Total amount available for distribution: €730,598,457.03.

And resolves:

- ▶ To pay an aggregate dividend of: €518,421,218.70.
- ▶ Representing €2.85 per share.
- ▶ To appropriate the balance of: €212,177,238.33 to retained earnings.

The dividend will be paid as from May 19, 2016.

The amount of dividend corresponding to the treasury shares held on the payment date will be allocated to retained earnings.

For individual shareholders domiciled in France for tax purposes, the total dividend will be subject to:

- ▶ The graduated tax rate applied to personal income tax, after the application of the 40% allowance provided for under Article 158-3-2° of the French General Tax Code (*Code général des impôts*).
- ▶ A 21% compulsory withholding tax. This tax, which is withheld at source by the paying agent, corresponds to a prepayment of personal income tax and will be deducted from the shareholders' final income tax payment for the year or refunded in the case of an excess payment. (However, shareholders filing a single tax return whose personal taxable income for 2014 was less than €50,000 [less than €75,000 for shareholders filing a joint tax return] may apply for an exemption from this withholding tax. In order to make such an application, eligible shareholders should have lodged a declaration of honor with the bank holding their shares, by November 30, 2015, stating that their personal taxable income is below the applicable threshold).
- ▶ The applicable social security and additional contributions withheld at source by the paying agent at a rate of 15.5%, of which 5.1% is deductible for tax purposes.

In accordance with Article 119 *bis* of the French General Tax Code, dividends paid to shareholders not domiciled in France for tax purposes are subject to withholding tax at the rate applicable to the country in which the shareholder is domiciled.

As required under Article 243 *bis* of the French General Tax Code, shareholders note that dividends paid for the past three years were as follows:

Year	Total dividend payout (in €)	Dividend per share* (in €)
2012	438,136,111.20	2.40
2013	464,474,107.50	2.50
2014	464,315,500.00	2.50

* The full amount of the dividend was eligible for the 40% tax allowance provided for in Article 158-3-2° of the French General Tax Code.

Third resolution

/ Approval of the consolidated financial statements for the year ended December 31, 2015

The purpose of the 3rd resolution is to approve the consolidated financial statements for the year ended December 31, 2015, which show net income for the period of €1,163,401 thousand.

The Registration Document, the Annual and Sustainable Development Report and the Shareholders' Guide, which can be downloaded from the Finance/Individual Shareholders/Documents section of Michelin's website (www.michelin.com), contain an analysis of the consolidated financial statements and year-on-year changes. These documents can also be sent to shareholders on request.

Third resolution (Approval of the consolidated financial statements for the year ended December 31, 2015)

Having considered the reports of the Chief Executive Officer, the Statutory Auditors and the Supervisory Board, the Ordinary Shareholders Meeting approves the consolidated financial statements for the year ended December 31, 2015 which show net income for the period of €1,163,401 thousand.

Fourth resolution

/ Related-party agreements

As no related-party agreements were entered into during 2015, shareholders are invited to place on record that there are no such agreements to approve.

In addition, no related-party agreements entered into in previous years remained in force during 2015.

Fourth resolution (Related-party agreements)

Having considered the Statutory Auditors' special report on related-party agreements governed by Article L. 226-10 of the French Commercial Code (*Code de commerce*), the Ordinary Shareholders Meeting approves said report and places on record that no such agreements requiring shareholder approval were entered into or were in force in 2015.

Fifth resolution

/ Authorization for the Chief Executive Officer to put in place a share buyback program, except during a public offer period, based on a maximum purchase price per share of €140

In the 5th resolution, shareholders are invited to renew the authorization for the Company to buy back its own shares over a period of 18 months. The maximum purchase price per share under this authorization would be €140 and the maximum number of shares purchased would not exceed 10% of the total shares outstanding.

This new authorization would supersede the previous authorization granted for the same purpose at the Annual Shareholders Meeting held on May 22, 2015.

During 2015, the Company used the previous authorization to buy back and cancel just under five million shares, resulting in a corresponding capital reduction. For details of the buybacks, see section 5.5.7 of 2015 Registration Document.

The proposed authorization would not be able to be used while a takeover bid is in progress.

This type of proposed resolution is explained in detail in Information Sheet 4 (Share Buybacks), on page 37 of the MEDEF Guide, available ⁽¹⁾ on the MEDEF's website at www.medef.com/.

Fifth resolution
(Authorization for the Chief Executive Officer to carry out a share buyback program, except during a public offer period, based on a maximum purchase price per share of €140)

Having considered the reports of the Chief Executive Officer and the Supervisory Board, as well as the description of the share buyback program drawn up in accordance with the requirements of the General Regulations of the AMF, the Ordinary Shareholders Meeting authorizes the Chief Executive Officer, in accordance with Articles L. 225-209 *et seq.* of the French Commercial Code, to put in place a program for the Company to buy back its own shares at a maximum purchase price per share of €140.

In the event of any corporate actions, such as a bonus share issue paid up by capitalizing reserves or a stock split or reverse stock split, the above maximum purchase price will be adjusted accordingly.

The number of shares that may be bought back under this authorization may not represent more than 10% of the total shares outstanding at the time of each transaction. The total number of shares that may be purchased for the purpose of maintaining a liquid market, as set out below, will be calculated after deducting the number of shares sold over the duration of the share buyback program. In addition, the Company may not hold more than 10% of its own share capital at any time.

Based on the share capital at December 31, 2015, the maximum amount invested in the program would not exceed €2,546,600,000 (two billion, five hundred and forty-six million six hundred thousand euros), corresponding to 10% (ten percent) of the Company's share capital, or 18,190,000 (eighteen million one hundred and ninety thousand) shares purchased at the maximum price of €140 (one hundred and forty euros) per share.

The objectives of the share buyback program are as follows:

- ▶ To purchase shares for sale or allocation to employees of Group companies in accordance with the conditions set down by law, including (i) on exercise of stock options, (ii) under performance share plans and (iii) in connection with employee rights issues.
- ▶ To maintain a liquid market for the Company's shares through a liquidity contract complying with a Code of Ethics approved by the AMF.
- ▶ To purchase shares for allocation on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company.
- ▶ To purchase shares to be held and subsequently sold, exchanged or otherwise transferred in connection with external growth transactions. The maximum number of shares purchased for the purpose of being held and subsequently sold or exchanged in connection with a merger, de-merger or asset contribution shall not exceed 5% of the Company's share capital.
- ▶ To implement any other market practices that may be authorized in the future by the applicable laws and the AMF.
- ▶ To acquire shares for cancellation under a shareholder-approved capital reduction.

⁽¹⁾ In French only.

The purchase, sale or transfer of shares may be effected at any time, except during a public offer period, and by any method, on the basis and within the limits prescribed by the laws and regulations in force on the transaction date(s), *via* regulated markets, multilateral trading facilities, systematic internalizers or over-the-counter, including through (i) block purchases or sales, (ii) public offers of purchase or exchange, (iii) the use of options or other forward financial instruments traded *via* regulated markets, multilateral trading facilities, systematic internalizers or over-the-counter, or (iv) the allocation of shares on conversion, redemption, exchange or exercise of securities carrying rights to the Company's shares or by any other means, either directly or *via* an investment services provider. The entire buyback program may be implemented through a block trade.

The Chief Executive Officer shall have full powers – which may be delegated – to (i) place buy and sell orders, (ii) enter into any and all agreements, (iii) make any and all filings, (iv) carry out all other formalities, (v) allocate or reallocate the purchased shares to any of the various purposes of the program and (vi) generally, do everything necessary to carry out the share buyback program.

This authorization shall be valid for a period of eighteen months from the date of this Meeting and supersedes, from that date, the authorization granted for the same purpose in the fifth resolution of the Annual Shareholders Meeting held on May 22, 2015.

Sixth resolution

/ Advisory vote on the components of the compensation due or awarded for 2015 to Jean-Dominique Senard, Chief Executive Officer

As prescribed in Article L. 225-37 of the French Commercial Code, the Company bases its corporate governance framework on the Corporate Governance Code for listed companies published by the AFEP and MEDEF (the AFEP/MEDEF Code) and on the Code's implementation guidance (November 2015 versions).

Companies that elect to apply the recommendations in Article 24.3 of the AFEP/MEDEF Code are required to provide their shareholders with an advisory "say-on-pay" vote relating to the components of compensation due or awarded for the previous year to each executive officer. Said components may include:

- ▶ The fixed portion of the executive officer's compensation.
- ▶ The annual variable portion, and where applicable, the multi-year variable portion, including a description of the objectives that must be met in order for this variable portion to be awarded.
- ▶ Stock options, performance shares and any other type of long-term compensation.
- ▶ Benefits related to taking up or terminating office.
- ▶ Supplementary pension benefits.
- ▶ Any other benefits.

Michelin's Supervisory Board and Management have elected to apply this recommendation since it came into effect.

Consequently, as was the case at the 2015 Annual Shareholders Meeting, on the recommendation of the Supervisory Board and with the approval of the Board and of the Non-Managing General Partner (SAGES), in the 6th resolution the Chief Executive Officer is asking shareholders to give a positive advisory vote on the components of the compensation due or awarded for 2015 to Jean-Dominique Senard, who is the Company's Chief Executive Officer and sole executive officer.

The compensation components concerned and the related reviews performed by the Compensation and Appointments Committee are presented in the table below (all of the amounts indicated are based on the standard tables provided in the AFEP/MEDEF Code which are set out in section 4.3.1 of the 2015 Registration Document).

Compensation due or awarded for 2015	Amounts (or accounting value) submitted for shareholder approval (in €)	Presentation
Fixed compensation	1,100,000	<p>Unchanged from the previous year.</p> <p>This corresponds to the gross annual fixed compensation due by Manufacture Française des Pneumatiques Michelin (MFPM), a controlled entity, as consideration for the duties performed by Mr. Senard in his capacity as Non-General Managing Partner of that company.</p> <p>Its amount was set by MFPM's General Partner on April 29, 2014, then confirmed on April 9, 2015 following Mr. Senard's re-election based on the recommendation of CGEM's Compensation and Appointments Committee.</p>
Annual variable compensation	1,276,975	<p>Details of the method to be used to calculate the Annual Variable Components of Mr. Senard's compensation were announced by the Supervisory Board in a press release posted on the Company's website on July 7, 2015.</p> <p>Shared features</p> <p>The Annual Variable Components of Mr. Senard's compensation are paid out of the share of profit (Profit Shares) allocated to the two General Partners of CGEM – Jean-Dominique Senard and SAGES – that is now split between them on a mutually agreed basis.</p> <p>In accordance with the compensation policy detailed in section 4.3.2 a) of the 2015 Registration Document, and in application of Article 30, paragraph 3, of CGEM's bylaws, the Profit Share is:</p> <ul style="list-style-type: none"> ▶ Set at 12% of the Company's net income for the year, net of dividend income corresponding to distributions of profits or reserves by MFPM and Compagnie Financière du groupe Michelin (CFM). ▶ Capped at 0.6% of the Group's consolidated net income.

Compensation due or awarded for 2015	Amounts (or accounting value) submitted for shareholder approval (in €)	Presentation
		<p>Taking into account the legal provisions specifically applicable to partnerships limited by shares and the provisions of the bylaws, as described above, the Compensation and Appointments Committee made proposals to the Supervisory Board about the various components of the performance criteria.</p> <p>After discussing the matter, the Supervisory Board made recommendations to the Non-Managing General Partner (SAGES) about the different criteria to be applied to the Profit Share payable to the Chief Executive Officer.</p> <p>For 2015, the Profit Share payable to the General Partners amounts to €6,980,407, as recommended in the resolution concerning the appropriation of net income to be put to the Annual Shareholders Meeting of May 13, 2016.</p> <p>Since 2015, as decided by the General Partners on the recommendation of the Supervisory Board, the basis used to calculate the Annual Variable Components (the Consolidated Calculation Basis) has been set at 0.6% of the Group's consolidated net income, and not the net income of the holding company, CGEM, in the interest of aligning the said Basis with the objectives of the Group as a whole.</p> <p>Consequently, for 2015, based on consolidated net income of €1,163,401,238, the Compensation and Appointments Committee has noted that the Consolidated Calculation Base amounts to €6,980,407 for 2015.</p> <p>Given the mutually agreed division of the Profit Share between the General Partners, and the performance achieved in 2015 with respect to the conditions governing the Annual Variable Component, as described below, the total amount payable to Mr. Senard represents €1,276,975.</p> <p>Single-Criterion Annual Variable Component</p> <p>This component is equal to 8% of the Consolidated Calculation Base. The Compensation and Appointments Committee has noted that, based on a Consolidated Calculation Base of €6,980,407, the Single-Criterion Annual Variable Component amounts to €508,432 for 2015. This amount is net of the sum payable by CFM as compensation for Mr. Senard's role as General Managing Partner of this subsidiary, estimated at €50,000.</p>

Compensation due or awarded for 2015	Amounts (or accounting value) submitted for shareholder approval (in €)	Presentation
Annual variable compensation (continued from previous page)		<p data-bbox="415 316 844 336">Multi-Criteria Annual Variable Component</p> <p data-bbox="415 347 1042 389">This component corresponds to between 0% and 14% of the Consolidated Calculation Base, depending on achievement rates for seven criteria.</p> <p data-bbox="415 400 816 421">These performance conditions are as follows:</p> <ul style="list-style-type: none"> <li data-bbox="415 432 1042 496">▶ Three quantitative criteria – the same as those applied to determine the 2015 variable compensation of the Executive Committee members and Group managers – which together account for up to 100/150^{ths}: <ul style="list-style-type: none"> <li data-bbox="437 501 1042 564">– Annual growth in unit sales, accounting for up to 50/100^{ths}, with performance in relation to the target measured by reference to the observed increase. <li data-bbox="437 569 1042 655">– Annual savings from the Efficiency project to reduce overheads, measured on the basis of an appropriate SG&A/gross margin ratio; this criterion accounts for up to 25/100^{ths}, with performance in relation to the target based on the improvement compared to a minimum ratio. <li data-bbox="437 660 1042 724">– Annual level of structural free cash flow, accounting for up to 25/100^{ths}, with performance in relation to the target based on the improvement compared to a minimum level. <li data-bbox="415 729 1042 858">For reasons of confidentiality and business secrecy, and in particular to avoid (i) disclosing information about the Company's strategy that could be used by competitors for their advantage and (ii) creating confusion in shareholders' minds with the information disclosed by the Company to investors, the Supervisory Board has elected not to disclose details of these performance targets. <li data-bbox="415 863 1042 1021">▶ Four qualitative criteria, together accounting for up to 50/150^{ths} and concerning: <ul style="list-style-type: none"> <li data-bbox="437 911 1042 952">– Quality of research and development strategies and the digital transformation strategy <li data-bbox="437 957 650 978">– Quality of management <li data-bbox="437 983 680 1003">– Quality of investor relations <li data-bbox="437 1008 701 1029">– Quality of operational control.

Compensation due or awarded for 2015	Amounts (or accounting value) submitted for shareholder approval (in €)	Presentation
		<p>In addition:</p> <ul style="list-style-type: none"> ▶ If the cumulative achievement rate for the seven criteria is less than 50/150^{ths}, Mr. Senard will not be entitled to any Multi-Criteria Annual Variable Compensation. ▶ He will be awarded the maximum 14% of the Consolidated Calculation Base for this component only if the cumulative achievement rate for the seven criteria is 150/150^{ths}.
		<p>Observation and analysis of performance against the criteria</p> <p>The Compensation and Appointments Committee carefully reviewed each of the quantitative and qualitative criteria.</p> <p>Regarding the three quantitative criteria, the Committee noted the achievement rate in 2015 for each of the objectives set by the Supervisory Board, which together gave an overall achievement rate of 87.1 out of 100.</p> <p>The Committee then evaluated the achievement rate for qualitative criteria.</p> <p>After discussing the matter, the Committee decided that the overall performance against qualitative criteria was good, and awarded an achievement rate of 33 out of 50.</p> <p>Following this analysis, having noted that for the Multi-Criteria Annual Variable Component:</p> <ul style="list-style-type: none"> ▶ The cumulative achievement rate for the quantitative criteria was 87.1/150^{ths}. ▶ The cumulative achievement rate for the qualitative criteria was 33/150^{ths}. ▶ The cumulative achievement rate for the quantitative and qualitative criteria was 120.1/150^{ths}. <p>The Compensation and Appointments Committee observed that, based on a Consolidated Calculation Base of €6,980,407, the application of this cumulative achievement rate to the assessment grid defined by the Supervisory Board would result in a Multi-Criteria Annual Variable Component of €768,543.</p> <p>After discussing the matter during its meeting on February 11, 2016, the Supervisory Board approved the Compensation and Appointments Committee's recommendations.</p> <p>The Chair of the Compensation and Appointments Committee then submitted its recommendations to the General Partners (SAGES and Mr. Senard), which approved them.</p>

Compensation due or awarded for 2015	Amounts (or accounting value) submitted for shareholder approval (in €)	Presentation
Deferred variable compensation	No deferred variable compensation was due for 2015	<p>This long-term incentive bonus was announced by the Supervisory Board in a press release posted on the Company's website on July 7, 2015.</p> <p>The long-term incentive bonus is not due by Michelin but would be deducted from the General Partners' allocated Profit Shares.</p> <p>The calculation structure for the long-term incentive bonus was unchanged in 2015 compared to that used in the previous year.</p> <p>The long-term incentive bonus is calculated on a base amount of €1,800,000, as increased or reduced to reflect the percentage gain or loss in Michelin's share price over the three years 2015-2017.</p> <p>The amount obtained by applying the adjustment clause will be modulated by the application of three criteria set by the Supervisory Board and applicable over the above three-year period.</p> <p>The criteria are as follows:</p> <ul style="list-style-type: none"> ▶ Michelin's stock market performance in relation to that of the CAC 40 index, accounting for up to 33.3%, with the target gradually met from the point at which Michelin's stock market performance exceeds that of stocks in the third quartile. ▶ Average annual growth in consolidated net revenue, accounting for up to 33.3%, with the target gradually met based on growth in relation to a fixed starting point. ▶ Average annual return on capital employed (ROCE), accounting for up to 33.3%, with the target gradually met once observed ROCE is significantly greater than the weighted average cost of capital employed. ▶ The targets for the second and third criteria concern like-for-like growth in net revenue and ROCE (i.e. based on a comparable structure and at constant exchange rates, excluding any changes in accounting policies and any non-recurring items), and may be revised following the occurrence of any exceptional events. ▶ The achievement rate under this long-term incentive plan will be equal to 100% only if the targets for all three criteria are met in full.

Compensation due or awarded for 2015	Amounts (or accounting value) submitted for shareholder approval (in €)	Presentation
		<p>The final amount receivable under the long-term incentive plan will be:</p> <ul style="list-style-type: none"> ▶ Capped at 150% of the average of the Annual Variable Components paid to Mr. Senard for 2015, 2016 and 2017. ▶ Paid out of the Profit Shares allocated to the General Partners in respect of 2017 and payable in 2018 after the 2017 financial statements have been approved: <ul style="list-style-type: none"> – Subject to the availability of Profit Shares payable in 2018 in respect of 2017 profit, and – Up to the amount of said available Profit Shares after deducting the Single-Criterion and Multi-Criteria Annual Variable Components due for 2017. <p>As this is a long-term incentive plan, the Supervisory Board noted that no amount was due in respect of 2015.</p> <p>There is no way of reliably simulating the amount to be paid with respect to this incentive plan in 2018, as the plan:</p> <ul style="list-style-type: none"> ▶ Is not paid by Michelin and, as such, is not recorded in the Company's financial statements. ▶ Is subject to the achievement of highly uncertain conditions and criteria, as indicated above, over a period of three years, of which only one has passed. <p>As was the case for his 2014 compensation, by virtue of the law and the Company's bylaws, if the Chief Executive Officer were to cease to be a General Partner before the end of the performance assessment period, he would forfeit his rights to the long-term incentive bonus.</p> <p>Note that in return, Jean-Dominique Senard is required to invest 20% of the long-term incentive bonus in Michelin shares at the end of the three-year period and to retain these shares for as long as he remains in office, after which the shares may be sold on a phased basis over four years.</p>
Exceptional compensation	N/A	No exceptional compensation.
Stock options, performance shares and other long-term compensation	Stock options = N/A Performance shares = N/A Other long-term compensation = N/A	No stock options granted No performance shares granted No other long-term compensation awarded
Attendance fees	N/A	Mr. Senard does not receive any attendance fees
Value of fringe benefits	6,894	Company car
Signing bonus	N/A	Mr. Senard was not paid any signing bonus

Components of compensation due or awarded for 2015 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments*

Amounts submitted to shareholder approval (in €)

Presentation

Compensation for loss of office

No compensation for loss of office was due for 2015

The detailed information in this section is unchanged from 2014.

In accordance with Article 13-2 of the bylaws, as approved by an extraordinary resolution of the May 13, 2011 Annual Shareholders Meeting, if Mr. Senard were to be removed from office before the end of his term as a result of a change of strategy or a change of control of the Company, provided such removal was not due to gross misconduct, he would be entitled to compensation for loss of office to be decided by the Non-Managing General Partner and subject to the prior approval of the Supervisory Board. The amount of any such compensation would not exceed the equivalent of Mr. Senard's total compensation for the two years preceding the year of his removal from office.

It would be subject to the performance conditions decided by the Supervisory Board in 2014, according to which the final compensation would depend on the average performance in relation to the targets set for the Multi-Criteria Annual Variable Component of his allocated share of profit for the three years preceding his removal from office (Three-Year Average), as follows:

- ▶ Three-year Average of less than 40%: no compensation for loss of office.
- ▶ Three-year Average of between 40% and 60%: compensation for loss of office equal to 50% of the Reference Base.
- ▶ Three-year Average of between 60% and 100%: compensation for loss of office equal to 100% of the Reference Base.

Where the Reference Base is equal to the aggregate compensation paid for the two years preceding the year of his removal from office.

The compensation for loss of office would be reduced, if applicable, so that any other severance payments due to Mr. Senard would not result in his receiving an aggregate severance package in excess of two years' compensation, as recommended in the AFEP/MEDEF Code.

Components of compensation due or awarded for 2015 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments*

Amounts submitted to shareholder approval (in €)

Presentation

Non-compete indemnity

No indemnity was due under a non-compete clause in 2015

The detailed information in this section is unchanged from 2014.

In the same way as Michelin employees who have specific expertise that needs to be protected to prevent its use by a competitor in a manner that is detrimental to the Company's interests, Mr. Senard is subject to a non-compete clause, which was signed on July 26, 2011 after prior approval by the Supervisory Board. This clause replaced the one contained in his employment contract that was terminated following his election as General Managing Partner.

If the Company were to decide to apply this non-compete clause, over a period of up to two years it would have to pay to Mr. Senard the equivalent of up to 16 months' compensation based on the most recent aggregate compensation paid to him by Group companies.

The Company is, however, entitled to waive the application of this clause.

Any compensation for loss of office that would be due to Mr. Senard in the event of a change of control or strategy would be reduced or withheld entirely if necessary so that his aggregate severance package, including the non-compete indemnity referred to above, did not exceed the equivalent of the aggregate of his last two years' compensation, as recommended in the AFEP/MEDEF Code.

Supplementary pension benefits

No supplementary pension benefits were due for 2015

The pension plan structure and rules, as described below, are unchanged from 2014.

This description complies with the provisions of the Macron Act of August 6, 2015 and the enabling legislation dated February 23, 2016.

Mr. Senard is not a member of any pension plan set up specifically for executive officers. In his capacity as Non-General Managing Partner of MFPM, Mr. Senard participates in the supplementary pension plan set up for MFPM senior executives (the Michelin Executive Supplementary Pension Plan).

Components of compensation due or awarded for 2015 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments*

	Amounts submitted to shareholder approval (in €)	Presentation
Supplementary pension benefits (continued from previous page)		<p>This plan, which is governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code and is not restricted to Non-General Managing Partners (executive officers), has the following main features:</p> <ul style="list-style-type: none"> ▶ Participants must have served for at least five years as a senior executive. ▶ 1.5% of benefits vest each year, entitling participants to an annuity representing a replacement rate of up to 15% of the reference compensation (annual average of the best three years of compensation out of the last five years preceding the beneficiary's retirement). ▶ The replacement rate including benefit entitlements under compulsory plans is capped at 35%. ▶ An evaluation is carried out in accordance with Group accounting policies. ▶ Benefit entitlement is conditional on participants ending their career at MFPM as an executive employee or executive officer, in accordance with Article L. 137-11 of the French Social Security Code. ▶ 70% of the prior year's benefit obligation funded through a contribution to an insured plan. <p>Mr. Senard's reference compensation is made up solely of the fixed compensation paid by MFPM and amounts to €1,100,000 for 2015.</p> <p>Based on the assumptions set out in the above-mentioned legislation of February 23, 2016, the estimated amount of annual income he will receive under this plan is €108,500. The benefits will be taxed at the rate of 32%.</p> <p>As the reference compensation represents less than half of the aggregate amount received by Mr. Senard for 2015 (fixed compensation and variable share of profit as stipulated in the bylaws), his actual gross replacement rate would be well below the 45% ceiling recommended in the AFEP/MEDEF Code.</p>

* Unlike for joint stock companies (sociétés anonymes, or S.A.s) the provisions concerning "related-party commitments" set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managing Partners (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments).

The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the "principles and rules concerning the compensation and benefits granted to executive officers", whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company's executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code's recommendations.

Sixth resolution

(Advisory vote on the components of the compensation due or awarded for 2015 to Jean-Dominique Senard, Chief Executive Officer)

Having noted the agreement of both the General Partners on the allocation of Profit Shares and considered the report of the Supervisory Board, the Ordinary Shareholders Meeting issues a positive advisory vote on the components of the compensation due or awarded for 2015 to Jean-Dominique Senard, Chief Executive Officer, as presented in section 4.3.3 of the Company's 2015 Registration Document.

Seventh, eighth and ninth resolutions: election and re-election of Supervisory Board members

/ Michelin's Supervisory Board plays a vital role for the Group

The current members of Michelin's Supervisory Board are Barbara Dalibard, Anne-Sophie de La Bigne, Aruna Jayanthi, Monique Leroux, Olivier Bazil, Pat Cox, Jean-Pierre Duprieu, Cyrille Poughon and Michel Rollier.

All of them have very solid business experience acquired through working with leading corporations as well as a good knowledge of the Michelin Group. They actively participate in the work of both the Board and its Committees, as illustrated by the attendance rates for meetings held in 2015 (100% for Board meetings and 100% for meetings of the Audit Committee and the Compensation and Appointments Committee).

The Supervisory Board members perform their duties independently and have total freedom of judgment.

A summary of the work carried out by the Supervisory Board in 2015 is included in the report of the Chairman of the Supervisory Board on the Board's membership structure and practices, set out in section 4.5 of the 2015 Registration Document.

/ Michelin's General Partners do not take part in the election or re-election of Supervisory Board members

Michelin is a *société en commandite par actions* (partnership limited by shares) and as such its Supervisory Board is entirely made up of non-executive members (78% of whom are independent) who represent the shareholders. Only the Supervisory Board itself may put forward proposals for the election or re-election of its members at Annual Shareholders Meetings.

With a view to clearly segregating management and supervisory powers, no General Partner may play a role in the nomination process – neither the Managing General Partner (the Chief Executive Officer), nor the Non-Managing General Partner (SAGES), which is responsible for ensuring the Company's continuity of leadership.

The General Partners may not be involved in decisions to recommend candidates for election to the Supervisory Board at Shareholders Meetings.

Likewise, in accordance with the law and the Company's bylaws the General Partners may not take part in any votes cast at Shareholders Meetings concerning the election or re-election of Supervisory Board members and their shares are not included in the quorum for the related resolutions.

For further information on Michelin's corporate governance principles please see sections 4.1 and 4.2 of the 2015 Registration Document (“Administrative, Management and Supervisory Bodies and Senior Management” and “Practices of the Administrative, Management and Supervisory Bodies”).

/ The Supervisory Board is recommending that shareholders re-elect two Supervisory Board members and ratify the Board's decision to appoint one new member

The terms of office of Anne-Sophie de La Bigne and Jean-Pierre Duprieu are due to expire at the close of the Annual Shareholders Meeting called to approve the financial statements for the year ended December 31, 2015.

In addition, following the resignation from the Board of Laurence Parisot in July 2015, the Supervisory Board appointed Monique Leroux to fill the vacant seat, subject to shareholder ratification at the Annual Meeting.

The candidate selection process, the criteria applied by the Compensation and Appointments Committee and a presentation of the candidates are set out in the report of the Supervisory Board on the proposed resolutions (see the Notice of Meeting for the 2016 Annual Shareholders Meeting and section 10.2.1 of the 2015 Registration Document).

Following this process the Board unanimously decided to ask the Chief Executive Officer to recommend at the Annual Meeting that the shareholders:

- ▶ Re-elect Anne-Sophie de La Bigne and Jean-Pierre Duprieu, neither of whom took part in the Supervisory Board vote on their nomination for re-election.
- ▶ Ratify the Supervisory Board's decision in 2015 to appoint Monique Leroux to the Board.

Anne-Sophie de La Bigne and Jean-Pierre Duprieu would be re-elected for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2019.

Monique Leroux was appointed for the remainder of her predecessor's term, expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2017.

Seventh resolution **(Re-election of Anne-Sophie de La Bigne as a member of the Supervisory Board)**

Having considered the reports of the Chief Executive Officer and the Supervisory Board, the Ordinary Shareholders Meeting re-elects Anne-Sophie de La Bigne as a member of the Supervisory Board for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2019.

Eighth resolution **(Re-election of Jean-Pierre Duprieu as a member of the Supervisory Board)**

Having considered the reports of the Chief Executive Officer and the Supervisory Board, the Ordinary Shareholders Meeting re-elects Jean-Pierre Duprieu as a member of the Supervisory Board for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2019.

Ninth resolution **(Ratification of the appointment of Monique Leroux as a member of the Supervisory Board)**

Having considered the reports of the Chief Executive Officer and the Supervisory Board, the Ordinary Shareholders Meeting ratifies the decision of the Supervisory Board at its meeting on October 1, 2015 to fill the seat left vacant by the resignation of Laurence Parisot by appointing Monique Leroux as a member of the Supervisory Board for the remainder of her predecessor's term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2017.

Tenth resolution

/ Supervisory Board compensation

The Chief Executive Officer is presenting to the Annual Shareholders Meeting a resolution proposed and supported by the Supervisory Board to increase the total compensation paid to the Supervisory Board in the form of attendance fees to €555,000 per year.

The reasons for the proposed increase are set out in the report of the Supervisory Board on the proposed resolutions (see the Notice of Meeting for the 2016 Annual Shareholders Meeting and section 10.2.1 of the 2015 Registration Document).

Tenth resolution (Supervisory Board compensation)

Having considered the reports of the Chief Executive Officer and the Supervisory Board, the Ordinary Shareholders Meeting sets at €555,000 (five hundred and fifty-five thousand euros), the total annual compensation awarded to the Supervisory Board, effective from the financial year beginning on January 1, 2016.

Eleventh to fourteenth resolutions

/ Renewal of the appointment of Statutory Auditors and Substitute Auditors

The purpose of the 11th to 14th resolutions is to re-appoint or to appoint the Company's Statutory Auditors and their substitutes.

Considering the quality of the Statutory Auditors' work, the Group set the Audit Committee the task of examining the pros and cons of renewing their appointment.

In line with the Audit Committee's recommendation, the Supervisory Board decided to propose to the Annual Shareholders Meeting of May 13, 2016 to:

- ▶ Renew the appointment of PricewaterhouseCoopers Audit, represented by Eric Bulle, as Statutory Auditor of CGEM.
- ▶ Renew the appointment of Deloitte & Associés, represented by Pascale Chastaing-Doblin, as Statutory Auditor of CGEM, and of B.E.A.S. as substitute for Deloitte & Associés.
- ▶ Appoint Jean-Baptiste Deschryver as substitute for PricewaterhouseCoopers Audit, in place of Pierre Coll,

For a period of six years.

Just as for the election or re-election of members of the Supervisory Board, the General Partners do not take part in the process to appoint or re-appoint the Statutory Auditors.

The appointment review process is described in the report of the Supervisory Board on the proposed resolutions (see the Notice of Meeting for the 2016 Annual Shareholders Meeting and section 10.2.1 of the 2015 Registration Document).

Eleventh resolution (Renewal of the appointment of a Statutory Auditor)

Having considered the report of the Supervisory Board and noted that the appointment of the Company's Statutory Auditor, PricewaterhouseCoopers Audit, is due to expire, the Ordinary Shareholders Meeting resolves to renew the appointment of PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine, as Statutory Auditor for a period of six years, expiring at the close of the Annual Shareholders Meeting called to approve the financial statements for the year ending December 31, 2021.

Twelfth resolution (Appointment of a Substitute Auditor)

Having considered the report of the Supervisory Board, the Ordinary Shareholders Meeting resolves to appoint, as a replacement for Pierre Coll, whose appointment is due to expire, Jean-Baptiste Deschryver, 63, rue de Villiers, 92208 Neuilly-sur-Seine as Substitute for PricewaterhouseCoopers Audit for a period of six years, expiring at the close of the Annual Shareholders Meeting called to approve the financial statements for the year ending December 31, 2021.

Thirteenth resolution (Renewal of the appointment of a Statutory Auditor)

Having considered the report of the Supervisory Board and noted that the appointment of the Company's Statutory Auditor, Deloitte & Associés, is due to expire, the Ordinary Shareholders Meeting resolves to renew the appointment of Deloitte & Associés, 185, avenue Charles-de Gaulle, 92524 Neuilly-sur-Seine as Statutory Auditor, for a period of six years, expiring at the close of the Annual Shareholders Meeting called to approve the financial statements for the year ending December 31, 2021.

Fourteenth resolution (Renewal of the appointment of a Substitute Auditor)

Having considered the report of the Supervisory Board, the Ordinary Shareholders Meeting resolves to renew the appointment of B.E.A.S., 195 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine, as Substitute for Deloitte & Associés for a period of six years, expiring at the close of the Annual Shareholders Meeting called to approve the financial statements for the year ending December 31, 2021.

Fifteenth resolution

/ Authorization for the Chief Executive Officer to issue bonds and debt-linked securities

The purpose of the 15th resolution is to authorize the Chief Executive Officer to issue up to €2.5 billion worth of bonds or debt-linked securities. This authorization would supersede the unused authorization granted for the same purpose at the Annual Shareholders Meeting of May 16, 2014 (11th resolution).

Government order No. 2014-863 dated July 31, 2014 on various French company law issues has simplified the rules applicable to compound securities. Under the new rules, it is no longer necessary to seek shareholder approval by means of an extraordinary resolution for issues of compound securities with rights to debt securities, provided that the issue does not ultimately result in a capital increase.

Consequently, in line with these new rules and CGEM's bylaws, the authorization to issue debt-linked securities, like the authorization to issue bonds, forms part of the ordinary business of the Annual Shareholders Meeting and not the extraordinary business.

The wording and scope of the 15th resolution are therefore somewhat different from those of the last similar authorization voted in 2014.

In addition, shareholders are being asked to raise the cap on debt securities issues to €2.5 billion, in order to be consistent with the cap applicable to issues of equity-linked securities that still require an extraordinary resolution by shareholders.

Fifteenth resolution (Authorization for the Chief Executive Officer to issue bonds and debt-linked securities)

Having considered the reports of the Chief Executive Officer and the Supervisory Board, the Ordinary Shareholders Meeting:

- ▶ Authorizes the issue of (i) bonds and/or (ii) debt-linked securities representing a maximum nominal amount of €2,500,000,000 (two billion five hundred million euros) or the foreign currency equivalent.
- ▶ Grants the Chief Executive Officer full powers to carry out one or several such issues, for the amounts and in the periods determined at his discretion, in France and/or abroad and/or on the international market, and to determine the issues' characteristics, amounts, terms and conditions.
- ▶ Resolves that the Chief Executive Officer shall have full powers, which may be delegated, to use this authorization and to decide the issues' characteristics, amounts, terms, price and other conditions.

This authorization shall be valid for a period of 26 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

EXTRAORDINARY RESOLUTIONS (RESOLUTIONS N°16 TO 26)

Sixteenth resolution

/ Authorization for the Chief Executive Officer to issue shares and/or securities carrying rights to shares, with pre-emptive subscription rights for existing shareholders

In the 16th resolution, shareholders are asked to authorize the Chief Executive Officer to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares, with pre-emptive subscription rights for existing shareholders. Note that the authorization could not be used while a takeover bid was in progress.

The aggregate par value of shares issued pursuant to this authorization would not exceed €127 million, representing less than 35% of the Company's current share capital, and the aggregate nominal value of debt securities issued with immediate or deferred rights to shares would be capped at €2.5 billion.

This new authorization renews, with a slightly lower ceiling for share issues, the authorization given at the Annual Shareholders Meeting of May 16, 2014 (12th resolution), which has not been used.

The only change this year concerns the ceiling on the issuance of debt securities carrying rights to shares, which has been raised in order to enable the Group to pursue its debt strategy on an optimized basis. The blanket ceiling on the issuance of debt securities with or without rights to shares remains unchanged (see the 23rd resolution).

A detailed explanation of this type of proposed resolution is provided in Information Sheet 5.1 on page 42 of the MEDEF Guide (Authorizations to carry out capital increases with pre-emptive subscription rights for existing shareholders), available for consultation at www.medef.com.

Sixteenth resolution (Authorization for the Chief Executive Officer to issue shares and/or securities carrying rights to shares, with pre-emptive subscription rights for existing shareholders)

Having considered the Chief Executive Officer's report, the Statutory Auditors' special report and the report of the Supervisory Board, and having noted the approval of both of the General Partners, the Extraordinary Shareholders Meeting resolves, in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code – notably Article L. 225-129-2 and Articles L. 228-91 *et seq.*:

► To authorize the Chief Executive Officer to carry out one or several issues of shares and/or securities carrying immediate and/or deferred rights to the Company's new or existing shares, except while a public tender offer is in progress. The issue(s) may be carried out in France or abroad and may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies.

► That:

- The aggregate par value of the shares issued under this authorization either immediately or on conversion, exchange, redemption or exercise of securities carrying rights to shares shall not exceed €127,000,000 (one hundred and twenty-seven million euros), representing less than 35% of the Company's current share capital. This ceiling shall not include the par value of any additional shares to be issued in accordance with the applicable laws, regulations, or contractual provisions in order to protect the rights of existing holders of securities carrying rights to shares or of other rights to the Company's shares.
- The securities carrying rights to shares issued pursuant to this authorization may notably consist of equity securities and/or debt securities or equity- or debt-linked securities or securities allowing the issue of intermediate debt securities. They may take the form of dated or undated, subordinated or unsubordinated notes. However, this authorization may not be used to issue

preference shares or securities with immediate or deferred rights to preference shares.

- The aggregate nominal amount of debt securities issued under this authorization shall not exceed €2,500,000,000 (two billion five hundred million euros) or the equivalent at the issue date in a foreign currency or a monetary unit determined by reference to a basket of currencies.
- Shareholders shall have a pre-emptive right to subscribe the shares and/or debt securities issued under this authorization, pro rata to their existing shareholdings. The Chief Executive Officer may also give shareholders a pre-emptive right to subscribe any shares and/or debt securities not taken up by other shareholders. In this case, if the issue is oversubscribed, this secondary pre-emptive right will also be exercisable pro rata to the existing shareholdings of the shareholders concerned.
- If the entire issue is not taken up by shareholders exercising their pre-emptive rights, the Chief Executive Officer may take one or more of the following courses of action, in the order of his choice: (i) limit the amount of the issue to the subscriptions received, provided that at least 3/4 of the issue is taken up; (ii) freely allocate all or some of the unsubscribed securities among the investors of its choice; or (iii) offer them for subscription by the public in the French market and/or a foreign market and/or the international market.
- Equity warrants may be offered for subscription on the above basis or allocated among holders of existing shares without consideration, in which case the Chief Executive Officer shall be authorized to decide that rights to fractions of shares shall be non-transferable and non-tradable and that the corresponding shares shall be sold.
- The Chief Executive Officer shall have full powers – which may be delegated in accordance with the applicable laws and regulations – to use this authorization, including to (i) set the characteristics, amount(s), timing, price(s) and other terms and conditions of the issue(s),

which may be carried out on one or more occasions in France and/or abroad and/or in the international market, (ii) suspend any issue(s) where appropriate, (iii) determine the issue date(s), subscription period(s) and cum-rights date(s) as well as the method and timeframe for paying up the shares, (iv) apply for the listing of the new shares on the markets of his choice, (v) place on record the amount of the capital increase(s) resulting from the share issues, (vi) carry out – directly or through a representative – all operations and formalities related to the capital increase(s); and, at the Chief Executive Officer's discretion, enter into any and all agreements for the purpose of completing the issue(s); charge the share issuance costs against the related premiums and deduct from the premiums the amounts necessary to increase the legal reserve to 10% of the new capital after each issue.

This authorization shall be valid for a period of 26 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

Seventeenth resolution

/ Authorization for the Chief Executive Officer to issue shares and/or securities carrying rights to shares, through a public offer without pre-emptive subscription rights for existing shareholders

The 17th resolution concerns the issuance of ordinary shares and/or securities carrying rights to shares without pre-emptive subscription rights for existing shareholders. Note that the authorization could also not be used while a takeover bid was in progress. The issue price of the new shares would be at least equal to the average of the opening prices quoted for the Company's shares over the three trading days preceding the pricing date, less a discount of no more than 5%.

The aggregate par value of shares issued pursuant to this authorization would not exceed €36 million or less than 10% of the current share capital, and the aggregate nominal value of securities carrying rights to shares would be capped at €1 billion.

As for the authorization to issue shares and securities with rights to shares with pre-emptive subscription rights for existing shareholders, this authorization renews, with a slightly lower ceiling for share issues, the authorization given at the Annual Shareholders Meeting of May 16, 2014 (13th resolution), which has not been used.

The cap on debt securities issues is unchanged.

Debt securities issued under this authorization would be deducted from the blanket ceiling on the issuance of debt securities with or without rights to shares and with or without pre-emptive subscription rights, set in the 23rd resolution.

A detailed explanation of this type of proposed resolution is provided in Information Sheet 5.2, page 45, of the MEDEF Guide (“Authorizations to carry out capital increases without pre-emptive subscription rights for existing shareholders”), available for consultation at www.medef.com.

**Seventeenth resolution
(Authorization for the Chief Executive Officer to issue shares and/or securities carrying rights to shares, through a public offer without pre-emptive subscription rights for existing shareholders)**

Having considered the Chief Executive Officer's report, the Statutory Auditors' special report and the report of the Supervisory Board, and having noted the approval of both of the General Partners, the Extraordinary Shareholders Meeting resolves, in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code – notably Articles L. 225-135; L. 225-136 and Articles L. 228-91 *et seq.*—:

- ▶ To authorize the Chief Executive Officer to carry out one or several public offers of shares and/or securities carrying immediate and/or deferred rights to the Company's new or existing shares, except while a public tender offer is in progress. The offer(s) may be carried out in France or abroad and the issues may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies.
- ▶ That:
 - The aggregate par value of the shares issued under this authorization either immediately or on conversion, exchange, redemption or exercise of securities carrying rights to shares shall not exceed €36,000,000 (thirty-six million euros), representing less than 10% of the Company's current share capital. This ceiling shall not include the par value of any additional shares to be issued in accordance with the applicable laws, regulations, or contractual provisions in order to protect the rights of existing holders of securities carrying rights to shares or of other rights to the Company's shares.
 - The securities carrying rights to shares issued pursuant to this authorization may notably consist of equity securities and/or debt securities or equity- or debt-linked securities or securities allowing the issue of intermediate debt securities. They may take the form of dated or undated, subordinated or unsubordinated notes. However, this authorization may not be used to issue preference shares or securities with immediate or deferred rights to preference shares.
 - The aggregate nominal amount of debt securities issued under this authorization shall not exceed €1,000,000,000 (one billion euros) or the equivalent in a foreign currency or a monetary unit determined by reference to a basket of currencies.

- Shareholders shall not have a pre-emptive right to subscribe the securities issued under this authorization.
- (i) The issue price of the shares shall be at least equal to the weighted average of the prices quoted for the Company's shares on Euronext Paris over the three trading days preceding the issue pricing date, less a discount of no more than 5%, and (ii) the issue price of securities carrying rights to shares shall be set in such a way that the amount received by the Company at the issue date plus the amount to be received on conversion, exchange, redemption or exercise of securities carrying rights to shares shall be, for each share issued, at least equal to the issue price defined in point (i) above.
- The Chief Executive Officer shall have full powers – which may be delegated in accordance with the applicable laws and regulations – to use this authorization, including to (i) set the characteristics, amount(s), timing, price(s) (within the above limits) and other terms and conditions of the issue(s), which may be carried out on one or more occasions in France and/or abroad and/or in the international market, (ii) suspend any issue(s) where appropriate, (iii) determine the issue date(s), subscription period(s) and cum-rights date(s) as well as the method and timeframe for paying up the shares, (iv) apply for the listing of the new shares on the markets of his choice, (v) place on record the amount of the capital increase(s) resulting from the share issues, (vi) carry out – directly or through a representative – all operations and formalities related to the capital increase(s); and, at the Chief Executive Officer's discretion, enter into any and all agreements for the purpose of completing the issue(s); charge the share issuance costs against the related premiums and deduct from the premiums the amounts necessary to increase the legal reserve to 10% of the new capital after each issue.

This authorization shall be valid for a period of 26 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

Eighteenth resolution

/ Authorization for the Chief Executive Officer to issue shares and/or securities carrying rights to shares through an offer governed by paragraph II of Article L. 411-2 of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders

The purpose of the 18th resolution is to submit to a separate vote by shareholders a proposed authorization for the Chief Executive Officer to issue shares and/or securities carrying rights to shares through private placements. As for the 16th and 17th resolutions, this authorization could not be used while a takeover bid was in progress.

This authorization would give the Company the necessary flexibility to rapidly raise funds from qualified investors.

The securities would be placed exclusively with the categories of investors specified in Article L. 411-2-II of the French Monetary and Financial Code, *i.e.* (i) professional investment portfolio managers and (ii) qualified investors or restricted groups of investors, provided that they are investing on their own behalf.

Any share issues carried out pursuant to this authorization would be included in the ceiling for issues without pre-emptive subscription rights for existing shareholders set in the 13th resolution.

As for the authorization to carry out public offers of shares and securities with rights to shares, this authorization renews, with a slightly lower ceiling for share issues, the authorization given at the Annual Shareholders Meeting of May 16, 2014 (14th resolution), which has not been used.

The cap on debt securities issues is unchanged. Debt securities issued under this authorization would be deducted from the blanket ceiling on the issuance of debt securities with or without rights to shares and with or without pre-emptive subscription rights, set in the 23rd resolution.

A detailed explanation of this type of proposed resolution is provided in Information Sheet 5.3, on page 48 of the MEDEF Guide (“Authorizations to carry out capital increases through private placements”), available for consultation at www.medef.com.

**Eighteenth resolution
(Authorization for the Chief Executive Officer to issue shares and/or securities carrying rights to shares through an offer governed by paragraph II of Article L. 411-2 of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders)**

Having considered the Chief Executive Officer’s report, the Statutory Auditors’ special report and the report of the Supervisory Board, and having noted the approval of both of the General Partners, the Extraordinary Shareholders Meeting resolves, in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code – notably Articles L. 225-135; L. 225-136 and Articles L. 228-91 *et seq.* – and paragraph II of Article L. 411-2 of the French Monetary and Financial Code:

- ▶ To authorize the Chief Executive Officer to carry out one or several issues of shares and/or securities carrying immediate and/or deferred rights to the Company’s new or existing shares through an offer governed by paragraph II of Article L. 411-2 of the French Monetary and Financial Code, except while a public tender offer is in progress. The issue(s) may be carried out in France or abroad and may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies.
- ▶ That:
 - The aggregate par value of the shares issued under this authorization either immediately or on conversion, exchange, redemption or exercise of securities carrying rights to shares shall not exceed €36,000,000 (thirty-six million euros), representing less than 10% of the Company’s current share capital. This ceiling shall not include the par value of any additional shares to be issued in accordance with the applicable laws, regulations, or contractual provisions in order to protect the rights of existing holders of securities carrying rights to shares or of other rights to the Company’s shares.
 - The securities carrying rights to shares issued pursuant to this authorization may notably consist of equity securities and/or debt securities or equity- or debt-linked securities or securities allowing the issue of intermediate debt securities. They may take the form of dated or undated, subordinated or unsubordinated notes. However, this authorization may not be used to issue preference shares or securities with immediate or deferred rights to preference shares.
 - The aggregate nominal amount of debt securities issued under this authorization shall not exceed €1,000,000,000 (one billion euros) or the equivalent in a foreign currency or a monetary unit determined by reference to a basket of currencies.
 - Issues of shares and debt securities carried out pursuant to this authorization shall be included in the ceilings for such issues set in the 17th resolution of this Meeting.
 - Shareholders shall not have a pre-emptive right to subscribe the securities issued under this authorization.
 - (i) The issue price of the shares shall be at least equal to the weighted average of the prices quoted for the Company’s shares on Euronext Paris over the three trading days preceding the issue pricing date, less a discount of no more than 5%, and (ii) the issue price of securities carrying rights to shares shall be set in such a way that the amount received by the Company at the issue date plus the amount to be received on conversion, exchange, redemption or exercise of securities carrying rights to shares shall be, for each share issued, at least equal to the issue price defined in point (i) above.
 - The Chief Executive Officer shall have full powers – which may be delegated in accordance with the applicable laws and regulations – to use this authorization, including to (i) set the characteristics, amount(s), timing, price(s) (within the above limits) and other terms and conditions of the issue(s), which may be carried out on one or more occasions in France and/or abroad and/or in the international market, (ii) suspend any issue(s) where appropriate, (iii) determine the issue date(s), subscription period(s) and cum-rights date(s) as well as the method and timeframe for paying up the shares, (iv) apply for the listing of the new shares

on the markets of his choice, (v) place on record the amount of the capital increase(s) resulting from the share issues, (vi) carry out – directly or through a representative – all operations and formalities related to the capital increase(s); and, at the Chief Executive Officer's discretion, enter into any and all agreements for the purpose of completing the issue(s); charge the share issuance costs against the related premiums and deduct from the premiums the amounts necessary to increase the legal reserve to 10% of the new capital after each issue.

This authorization shall be valid for a period of 26 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

Nineteenth resolution

/ Authorization for the Chief Executive Officer to increase the number of securities to be issued in the event that an issue (with or without pre-emptive subscription rights) is oversubscribed

The purpose of the 19th resolution is to authorize the Chief Executive Officer to increase the number of securities to be issued in the event that an issue carried out under the 16th, 17th or 18th resolutions is oversubscribed. It could not be used while a takeover bid was in progress.

The additional securities would not exceed 15% of the original issue and would be offered at the same price as for the original issue. They would be included in the ceilings set in the resolution concerned.

This authorization would replace the authorization granted for the same purpose at the Annual Shareholders Meeting of May 16, 2014 (15th resolution), which has not been used.

A detailed explanation of this type of proposed resolution is provided in Information Sheet 5.6 on page 54 of the MEDEF Guide ("Authorizations to increase the amount of an issue carried out either with or without pre-emptive subscription rights in the event that the issue is oversubscribed (greenshoe option)").

Nineteenth resolution (Authorization for the Chief Executive Officer to increase the number of securities to be issued in the event that an issue (with or without pre-emptive subscription rights) is oversubscribed)

Having considered the Chief Executive Officer's report, the Statutory Auditors' special report and the report of the Supervisory Board, and having noted the approval of both of the General Partners, the Extraordinary Shareholders Meeting resolves, in accordance with Article L. 225-135-1 of the French Commercial Code:

- ▶ To authorize the Chief Executive Officer to increase the number of shares and/or other securities carrying rights to shares issued with or without pre-emptive subscription rights under the sixteenth, seventeenth and eighteenth resolutions. Any such additional shares and/or other securities (i) shall be issued within 30 days of the end of the subscription period for the original issue, (ii) shall not represent more than 15% of the original issue, (iii) shall be offered at the same price as for the original issue, and (iv) shall be included in the respective ceilings set in the sixteenth, seventeenth and eighteenth resolutions.

This authorization shall be valid for a period of 26 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

Twentieth resolution

/ Authorization for the Chief Executive Officer to increase the Company's capital by capitalizing reserves, income or additional paid-in capital

The purpose of the 20th resolution is to seek an authorization to increase the Company's capital by up to €80 million by capitalizing reserves, profits or share premiums. Note that the authorization could not be used while a takeover bid was in progress.

It would replace the authorization granted for the same purpose at the Annual Shareholders Meeting of May 16, 2014 (16th resolution), which has not been used.

A detailed explanation of this type of proposed resolution is provided in Information Sheet 5.7, on page 56 of the MEDEF Guide ("Authorizations to increase capital by capitalizing reserves"), available for consultation at www.medef.com.

Twentieth resolution (Authorization for the Chief Executive Officer to increase the Company's capital by capitalizing reserves, income or additional paid-in capital)

Having considered the reports of the Chief Executive Officer and the Supervisory Board, and having noted the approval of both of the General Partners, the Extraordinary Shareholders Meeting resolves, in accordance with Articles L. 225-129 and L. 225-130 of the French Commercial Code:

- ▶ To authorize the Chief Executive Officer to increase the Company's capital, on one or more occasions except when a public offer is in progress, by a maximum of €80,000,000 (eighty million euros) by issuing bonus shares and/or raising the par value of existing shares, to be paid up by capitalizing

reserves, income, or additional paid-in capital. This amount shall not include the par value of any additional shares to be issued in accordance with the applicable laws, regulations and contractual provisions in order to protect the rights of existing holders of securities carrying rights to shares or of other rights to the Company's shares.

- ▶ That if new shares are issued, the Chief Executive Officer shall be authorized to decide that rights to fractions of shares shall be non-transferable and non-tradable and that the corresponding shares shall be sold in accordance with Article L. 225-130 of the French Commercial Code. In such a case, the sale proceeds shall be allocated among the rights holders within 30 days of the date when the whole number of shares allotted to them is recorded in their securities account.
- ▶ That the Chief Executive Officer shall have full powers – which may be delegated in accordance with the applicable laws and regulations – to use this authorization, including to (i) determine the timing and terms and conditions of the capital increase(s), (ii) determine the subscription period(s) and cum-rights date(s) as well as the method and timeframe for paying up shares, (iii) apply for the listing of the new shares on any market chosen by the Chief Executive Officer, (iv) place on record the amount of the capital increase(s) resulting from the issue of shares, (v) carry out – directly or through a representative – all operations and formalities related to the capital increase(s) and, at the Chief Executive Officer's discretion, charge the costs of the capital increase(s) against the related premiums and deduct from the premiums the amounts necessary to increase the legal reserve to 10% of the new capital after each capital increase.

This authorization shall be valid for a period of 26 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

Twenty-first resolution

/ Authorization for the Chief Executive Officer to increase the Company's capital by issuing ordinary shares, without pre-emptive subscription rights for existing shareholders, in connection with a stock-for-stock offer or in payment of contributed assets

The 21st resolution concerns issues of shares, without pre-emptive subscription rights for existing shareholders, in connection with a stock-for-stock offer or in payment of contributed assets.

The aggregate par value of the new shares would be included in the ceiling set in the 17th resolution. Shares issued in payment of contributed assets would also be limited to the equivalent of 10% of the Company's capital.

This authorization would replace the authorization granted for the same purpose at the Annual Shareholders Meeting of May 16, 2014 (17th resolution), which has not been used.

A detailed explanation of this type of proposed resolution is provided in Information Sheet 5.5, on page 52 of the MEDEF Guide ("Authorizations to increase capital in payment for contributed assets"), available for consultation at www.medef.com.

Twenty-first resolution (Authorization for the Chief Executive Officer to increase the Company's capital by issuing ordinary shares, without pre-emptive subscription rights for existing shareholders, in connection with a stock-for-stock offer or in payment of contributed assets)

Having considered the report of the Chief Executive Officer and the report of the Supervisory Board, and having noted the approval of both of the General Partners, the Extraordinary Shareholders Meeting resolves:

- ▶ To authorize the Chief Executive Officer to issue ordinary shares, except when a public offer is in progress:
 - In connection with a stock-for-stock offer carried out in accordance with Article L. 225-148 of the French Commercial Code, or
 - As payment for shares or securities carrying rights to shares of another company contributed to the Company in transactions not governed by Article L. 225-148 of the French Commercial Code, in which case the number of shares issued shall be based on the report of the Expert Appraiser of Capital Contributions (*Commissaire aux apports*) and shall not exceed 10% (ten percent) of the Company's capital.

The aggregate par value of shares issued under this authorization shall be included in the ceiling specified in the 17th resolution of this Meeting.

- ▶ That the Chief Executive Officer shall have full powers – which may be delegated in accordance with the applicable laws and regulations – to use this authorization, including to (i) determine the timing and terms and conditions of the capital increase(s), (ii) determine the subscription period(s) and cum-rights date(s) as well as the method and timeframe for paying up shares, (iii) approve the value attributed to the contributed securities, (iv) apply for the listing of the new shares on any market chosen by the Chief Executive Officer, (v) place on record the amount of the capital increase(s) resulting from the issue of shares, (vi) carry out – directly or through a representative – all operations and formalities related to the capital increase(s) and, at the Chief Executive Officer's discretion, charge the costs of the capital increase(s) against the related premiums and deduct from the premiums the amounts necessary to increase the legal reserve to 10% of the new capital after each capital increase.

This authorization shall be valid for a period of 26 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

Twenty-second resolution

/ Authorization for the Chief Executive Officer to carry out a rights issue for members of a Group Employee Shareholder Plan and/or restricted share issues, without pre-emptive subscription rights for existing shareholders

The 22nd resolution concerns rights issues for employees who are members of a Group Employee Shareholder Plan. The issues would be limited to an aggregate par value of €7 million, or less than 2% of the Company's current share capital.

This authorization would replace, with a slightly lower ceiling, the authorization granted for the same purpose at the Annual Shareholders Meeting of May 16, 2014 (18th resolution), which has not been used.

A detailed explanation of this type of proposed resolution is provided in Information Sheet 6.3, on page 68 of the MEDEF Guide ("Authorizations to carry out employee rights issues"), available for consultation at www.medef.com.

Twenty-second resolution (Authorization for the Chief Executive Officer to carry out a rights issue for members of a Group Employee Shareholder Plan and/or restricted share issues, without pre-emptive subscription rights for existing shareholders)

Having considered the report of the Chief Executive Officer, the Statutory Auditors' special report and the report of the Supervisory Board, and having noted the approval of both of the General Partners, the Extraordinary Shareholders Meeting resolves:

- ▶ To authorize the Chief Executive Officer, pursuant to Articles L. 3332-1 *et seq.* of the French Labor Code and Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code, to carry out one or more rights issues for members of an Employee

Shareholder Plan of the Company or of French or foreign related companies within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code.

▶ That:

- Existing shareholders shall waive their pre-emptive right to subscribe any shares to be issued under this authorization.
- The aggregate par value of shares issued under this authorization shall not exceed €7,000,000 (seven million euros), representing less than 2% of the Company's current share capital. This ceiling shall not include the par value of any additional shares to be issued in accordance with the applicable laws, regulations or contractual provisions in order to protect the rights of existing holders of securities carrying rights to shares or of other rights to the Company's shares.
- The issue price of the shares offered under this authorization shall be set by the Chief Executive Officer in accordance with Article L. 3332-19 of the French Labor Code and shall not reflect a discount of more than 20% (20 percent) on the average of the opening prices quoted for the Company's shares on Euronext Paris over the 20 trading days preceding the date on which the opening date of the subscription period is decided. The Chief Executive Officer may reduce or cancel this discount if appropriate, in order to take into account, *inter alia*, locally applicable tax, labor law or accounting restrictions.
- Employees may be given free shares in place of the discount, in accordance with Article L. 3332-21 of the French Labor Code.
- The Chief Executive Officer may also decide that employer matching payments will be made in the form of free shares or securities with rights to shares instead of cash, subject to the limits set out in Article L. 3332-21 of the French Labor Code.

- The Chief Executive Officer shall have full powers – which may be delegated in accordance with the applicable laws and regulations – to use this authorization, including to (i) set the characteristics, amount, and terms and conditions of the issue(s), (ii) determine whether the shares will be purchased directly by employees or through a corporate mutual fund, (iii) set the issue date(s), subscription period(s) and cum-rights date(s) as well as the method and timeframe for paying up the shares, (iv) apply for the listing of the new shares on any markets chosen by the Chief Executive Officer, (v) set any length-of-service conditions to be met by beneficiaries, (vi) place on record the amount of the capital increase(s) resulting from the rights issues, (vii) carry out – directly or through a representative – all operations and formalities related to the capital increase(s); and, at the Chief Executive Officer’s discretion, charge the share issuance costs against the related premiums and deduct from the premiums the amounts necessary to increase the legal reserve to 10% of the new capital after each issue.

In accordance with the applicable legal provisions, the authorization provided for in this resolution shall also cover sales of shares to members of a Group Employee Shareholder Plan.

This authorization shall be valid for a period of 26 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

Twenty-third resolution

/ Blanket ceilings on issues of shares, securities carrying rights to shares and debt securities

The purpose of the twenty-third resolution is to set a blanket ceiling of €127 million – or the equivalent of less than 35% of the Company’s current capital – on share issues carried out pursuant to the 16th, 17th, 18th, 19th, 20th and 21st resolutions. This authorization

would replace, with a slightly lower ceiling, the authorization granted for the same purpose at the Annual Shareholders Meeting of May 16, 2014 (19th resolution), which has not been used.

It also raises to €2.5 billion the blanket ceiling on issues of debt securities (with or without rights to shares) carried out pursuant to the 15th, 16th, 17th, 18th, 19th and 21st resolutions.

An explanation of the ceilings set by shareholders for authorizations relating to corporate actions is provided in the Introductory Information Sheet, on page 39 of the MEDEF Guide (“Authorizations granted by shareholders for the Board of Directors to carry out capital increases”).

Twenty-third resolution (Blanket ceilings on issues of shares, securities carrying rights to shares and debt securities)

Having considered the reports of the Chief Executive Officer and the Supervisory Board and having noted the approval of both of the General Partners, the Extraordinary Shareholders Meeting resolves:

► That:

- The aggregate par value of shares issued under the 16th, 17th, 18th, 19th, 20th and 21st resolutions, either immediately or on conversion, exchange redemption or exercise of securities carrying rights to shares, shall not exceed €127,000,000 (one hundred and twenty-seven million euros), representing less than 35% of the Company’s capital as of the date of this Meeting. This ceiling shall not include either (i) the par value of any shares to be issued to protect the interests of holders of securities carrying rights to shares or of other rights to the Company’s shares in accordance with the law, or (ii) any other adjustments made pursuant to any applicable contractual provisions.
- The aggregate nominal amount of debt securities, with or without rights to shares, issued under the 15th, 16th, 17th, 18th, 19th and 21st resolutions shall not exceed €2,500,000,000 (two billion

five hundred million euros) or the equivalent in a foreign currency or a monetary unit determined by reference to a basket of currencies.

This authorization shall be valid for a period of 26 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

Twenty-fourth resolution

/ Authorization for the Chief Executive Officer to reduce the Company's capital by canceling shares

In the 24th resolution, shareholders are invited to authorize the Chief Executive Officer to reduce the Company's capital by canceling treasury shares purchased under shareholder-approved buyback programs.

This 18-month authorization would replace the authorization granted for the same purpose at the Annual Shareholders Meeting of May 22, 2015 (9th resolution), which has not been used.

Just under five million shares acquired under buyback programs were canceled in 2015 (for more details, refer to section 5.5.7 b) of the 2015 Registration Document).

A detailed explanation of this type of proposed resolution is provided in Information Sheet 5.9, on page 60 of the MEDEF Guide (Authorizations to carry out capital reductions).

Twenty-fourth resolution (Authorization for the Chief Executive Officer to reduce the Company's capital by canceling shares)

Having considered the report of the Chief Executive Officer, the Statutory Auditors' special report and the report of the Supervisory Board, and having noted the approval of both of the General Partners, the Extraordinary Shareholders Meeting resolves:

- ▶ To authorize the Chief Executive Officer to:
 - Cancel, at his sole discretion, on one or more occasions, all or some of the shares purchased under shareholder-approved buyback programs, provided that the number of shares canceled does not exceed 10% of the Company's capital.
 - Charge the difference between the cost of the canceled shares and their par value against any available premium or reserve account.
- ▶ To grant the Chief Executive Officer full powers – which may be delegated in accordance with the law – to (i) carry out the capital reduction(s) resulting from the share cancellation(s) authorized under this resolution, (ii) make the corresponding accounting entries, (iii) amend the bylaws to reflect the new capital and (iv) generally, carry out all necessary formalities.

This authorization shall be valid for a period of 18 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

Twenty-fifth resolution

/ Authorization for the Chief Executive Officer to grant performance shares to employees of the Company and of its subsidiaries (other than the Chief Executive Officer), without pre-emptive subscription rights for existing shareholders

This resolution replaces the 21st resolution of the Annual Shareholders Meeting of May 16, 2014 which was used to launch three performance share plans for the 2014-2016 and 2015-2017 periods.

Details of these plans and the achievement rate for each performance criterion are presented in sections 5.5.5 a) and 5.5.5 b) of the 2015 Registration Document.

An ex-post assessment of the results of the plans showed that performance criteria had been set at challenging levels given the prevailing environment. For each plan launched by the Group, at least one criterion was not fulfilled, with the result that a significant proportion of the performance share rights did not or will not vest.

In the same way as the resolution approved in 2014, the 25th resolution concerns the grant of new or existing shares, subject to performance conditions, to employees of the Company and of its French and foreign subsidiaries. The list of grantees, the number of shares to be granted to each one and the grant criteria would be decided by the Chief Executive Officer, based on the recommendation of the Compensation and Appointments Committee of the Supervisory Board.

No performance shares would be granted to the Chief Executive Officer, who is the Company's only executive officer.

The performance shares would be subject to a vesting period of at least three years.

The performance criteria would be based on three objectives reflecting different aspects of the strategy implemented by Michelin as part of its 2020 Ambitions, described in section 2.1 of the 2015 Registration Document. These objectives are as follows:

- ▶ A share performance objective: growth in the Michelin share price.
- ▶ A corporate social responsibility objective: employee engagement and the environmental performance of manufacturing operations.
- ▶ A profitability objective: growth in operating income.

These criteria would apply to all performance share grants, whatever the grantee's level of responsibility. These three criteria take into account shareholders' expectations and changes in the market environment.

A financial performance objective: growth in the Michelin share price

This objective concerns Michelin's share performance compared with that of the CAC 40 index.

It falls under the third objective ("Secure our financial performance") of the 2020 Ambitions plan.

The CAC 40 index has been chosen due to the breakdown of the Group's operations into the various product families (truck tires, passenger car and light truck tires, specialty tires). These operations expose the Group to changes in consumer goods markets (around 40% of the Group's business), economic growth and industrial markets (around 30%), as well as raw materials (around 15%). In this regard, automotive stocks alone (around 15%) – and especially automotive equipment stocks – would be a less appropriate benchmark for measuring Michelin's performance.

This criterion has a 35% weighting.

If the gain in Michelin's share price is at least 15 points more than the gain in the CAC 40, the achievement rate would be 100% and the maximum 35% of the performance shares would vest.

If the gain in Michelin's share price is between 0 and 15 points more than the gain in the CAC 40, the result would be: (gain in the Michelin share price - gain in the CAC 40 index) x (35%/15).

If the gain in Michelin's share price is less than the gain in the CAC 40, the achievement rate would be 0% .

This criterion would be assessed over a rolling three-year period, between the average of the closing prices quoted on Euronext Paris for the six-month period preceding the reference three-year period and the same average for the last six months of that period. For example, for a performance share plan launched in 2016 with a three-year vesting period from 2016 to 2018, gains in the Michelin share price and the CAC 40 would be calculated by comparing the average price for the second half of 2015 and that for the second half of 2018.

As an example of past performance, comparing the average closing price between the second half of 2012 and the second half of 2015, the Michelin's share price (up 44%) outperformed the CAC 40 (up 39%) by 5 points (source: Euronext).

A corporate social responsibility objective: employee engagement and the environmental performance of manufacturing operations

This criterion is based on two indicators: the environmental footprint of Michelin's manufacturing operations and the level of employee engagement.

It is part of the second objective ("Set the industry standard for responsible manufacturing") and the fourth objective ("Work together to continuously improve employee well-being and personal growth") of the 2020 Ambitions plan.

Since 2005, Michelin has measured and published these operations' energy use, water withdrawals, CO₂ emissions, volatile organic compound emissions, amount of waste produced and amount of waste landfilled, using the Michelin Environmental Footprint (MEF) indicator. The Group's goal for 2020 is to reduce the MEF by 50% compared with 2005.

The action taken, gains made to date and the detailed MEF calculation method are presented in section 6.3.1.

The environmental performance of the manufacturing indicator has a weighting of 15% and would be taken into account as follows:

- ▶ If the average MEF over three years was less than 60, the achievement rate would be 100% and the maximum 15% of the performance shares would vest.
- ▶ If the average MEF over three years was between 60 and 63, the achievement rate would be: $(\text{average MEF} - 60) / (63 - 60)$.
- ▶ If the average MEF over three years was more than 63, the achievement rate would be 0%.

This indicator would be assessed as the average for a rolling three-year period starting from the year in which the plan was launched. For example, for a performance share plan launched in 2016 with a three-year vesting period from 2016 to 2018, the average would be calculated based on the MEF for each of the three years.

As an example of past performance, based on annual MEF indicators of 66.5 for 2013, 65.1 for 2014 and 62.8 for 2015 (source: page 180 of the

2014 Registration Document and page 174 of the 2015 Registration Document), the average MEF for the last three year period was 64.8.

Employee engagement is an important driver of operational excellence and the Group's ability to meet its performance objectives. Michelin has set the particularly ambitious objective of becoming a world-class leader in this area by reaching and maintaining an 85% employee engagement rate by 2020. Since 2013, the annual "Moving Forward Together: Your Voice for Action" survey measures the engagement rate and employee opinions about their work.

The action taken, gains made to date and the detailed employee engagement calculation method are presented in section 6.1.5 c) of the 2015 Registration Document.

The employee engagement indicator has a weighting of 15% and would be taken into account as follows:

- ▶ If the average engagement rate was more than 80%, the achievement rate would be 100% and the maximum 15% of the performance shares would vest.
- ▶ If the engagement was between 77% and 80%, the achievement rate would be: $(\text{average engagement rate} - 77%) / (80\% - 77\%)$.
- ▶ If the average engagement rate was less than 77%, the achievement rate would be 0%.

This indicator (calculated on a like-for-like basis) would be assessed as the average for a rolling three-year period starting from the year in which the plan was launched. For example, for a performance share plan launched in 2016 with a three-year vesting period from 2016 to 2018, the average would be calculated based on the engagement rate for each of the three years.

As an example of past performance, based on annual engagement rates of 72% for 2013, 74% for 2014 and 77% for 2015 (source: page 166 of the 2015 Registration Document), the average engagement rate for the last three year period was 74.3%.

As each of these indicators has a 15% weighting, the criterion's total weighting would be 30%.

A profitability objective: growth in operating income

This criterion concerns growth in € millions in consolidated operating income, before non-recurring income and expenses (on a like-for-like basis and excluding changes in exchange rates).

It falls under the third objective (“Secure our financial performance”) of the 2020 Ambitions plan.

The choice of this criterion is part of the Group's value creation strategy aiming to guarantee a robust and sustainable financial position, the independence of the Group and the achievement of its growth ambitions.

This criterion has a 35% weighting.

It would be taken into account as follows:

- ▶ If average annual growth in operating income ⁽¹⁾ was more than €150 million a year, the achievement rate would be 100% and the maximum 35% of the performance shares would vest.
- ▶ If average annual growth in operating income ⁽¹⁾ was between €70 million and €150 million a year, the achievement rate would be: $(\text{operating income} - \text{€70 million}) / (\text{€150 million} - \text{€70 million})$.
- ▶ If average annual growth in operating income ⁽¹⁾ was less than €70 million a year, the achievement rate would be 0%.

This criterion would be assessed as the average for a rolling three-year period starting from the year in which the plan was launched. For example, for a performance share plan launched in 2016 with a three-year vesting period from 2016 to 2018, the average would be calculated based on the annual growth rate for each of the three years 2016, 2017 and 2018.

As an example of past performance, based on a €41 million operating income increase for 2013, a €81 million increase for 2014 and a €30 million decrease for 2015 (source: page 30 of the 2013 Registration Document, page 31 of the 2014 Registration Document

and page 32 of the 2015 Registration Document), average growth in operating income ⁽¹⁾ for the last three years was €30.66 million.

Provided that the grantee was still employed by the Group at the end of the vesting period (or qualified for an exemption from this requirement under French law or in the cases decided by management), if the achievement rate for all of the above criteria was 100% then 100% of the performance shares would vest.

The number of vested shares per grantee would not exceed the number of performance share rights initially granted.

The number of shares granted under this authorization would not exceed 0.5% of the Company's capital on the day of the decision (909,511 shares based on the capital at December 31, 2015).

This authorization would be given for a period of 38 months.

This type of proposed resolution is explained in detail in Information Sheet 6.2 on page 65 of the MEDEF Guide (Share buybacks), which is available at www.medef.com/medef-corporate/publications.

Twenty-fifth resolution (Authorization for the Chief Executive Officer to grant performance shares to employees of the Company and of its subsidiaries (other than the Chief Executive Officer), without pre-emptive subscription rights for existing shareholders)

Having considered the report of the Chief Executive Officer, the Statutory Auditors' special report and the report of the Supervisory Board, and having noted the approval of both of the General Partners, the Extraordinary Shareholders Meeting resolves:

- ▶ To authorize the Chief Executive Officer, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code, to grant performance shares to selected employees of the Company and related entities within the meaning of Article L. 225-197-2 of the Code, other than the Company's executive officers, on the basis defined below.

(1) Consolidated operating income, before non-recurring income and expenses (on a like-for-like basis and excluding changes in exchange rates).

- ▶ That existing or new shares granted pursuant to this authorization may not represent more than an aggregate 0.5% (zero point five percent) of the Company's capital at the date of this Meeting. This ceiling shall not include the par value of any additional shares to be issued in accordance with the applicable laws, regulations or contractual provisions in order to protect the rights of existing holders of securities carrying rights to shares or of other rights to the Company's shares.
- ▶ That the Chief Executive Officer shall draw up the list of grantees, and determine the number of shares to be granted and the grant conditions and criteria, which shall include performance criteria determined with the Supervisory Board's agreement.
- ▶ That the performance shares shall be subject to a vesting period set by the Chief Executive Officer, which shall be at least three years and may be followed by a lock-up period set by the Chief Executive Officer for certain grantees.
- ▶ That the performance shares shall vest before the end of the above vesting period and that all restrictions on their shall will be lifted in the event that the grantee is affected by a category 2 or 3 disability as defined in Article L. 341-4 of the French Social Security Code.
- ▶ That, if the decision is made to deliver new shares to grantees, the successive share issues carried out when the performance shares vest shall be paid up by capitalizing reserves, profit or additional paid-in capital, and that existing shareholders shall waive their pre-emptive right to subscribe for said new shares.
- ▶ That the Chief Executive Officer shall have the broadest powers, within the above-defined limits and the limits resulting from the law, to:
 - Provide for the possibility of temporarily suspending the performance share rights on the basis prescribed by the applicable laws and regulations.
 - Place on record the dates on which the performance shares vest and the dates on which the restrictions on their sale are lifted, in accordance with this resolution and taking into account the legal restrictions.
 - Record the performance shares in a registered share account in the grantee's name.
 - Provide for the possibility of adjusting the number of performance shares during the vesting period in order to protect the rights of grantees following any corporate actions carried out by the Company.
 - Generally, do everything useful or necessary to implement this authorization, carry out any and all filing and other formalities, place on record the resulting capital increases and amend the bylaws to reflect the new capital.

This authorization shall be valid for a period of 38 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

Twenty-sixth resolution

/ Powers to carry out formalities

The purpose of the 26th resolution is to give powers to carry out the formalities related to the Shareholders Meeting.

Twenty-sixth resolution (Powers to carry out formalities)

The shareholders give full powers to the bearer of an original, copy or extract of the minutes of this Ordinary and Extraordinary Shareholders Meeting to carry out all legal and administrative formalities and to make all filings and publish all notices required by the applicable laws.

SUMMARY OF FINANCIAL AUTHORIZATIONS SUBMITTED FOR SHAREHOLDER APPROVAL

Corporate action	Applicable ceilings (nominal amount)	Duration (expiration date)
Issuance of shares and/or securities carrying rights to shares, with pre-emptive subscription rights (16 th resolution)	shares: €127 million (less than 35% of current capital) debt securities: €2.5 billion	26 months (July 2018)
Issuance of shares and/or securities carrying rights to shares, through a public offer, without pre-emptive subscription rights (17 th resolution)	shares: €36 million (less than 10% of current capital) debt securities: €1 billion	26 months (July 2018)
Issuance of shares and/or securities carrying rights to shares through an offer governed by Article L. 411-2 of the French Monetary and Financial Code, without pre-emptive subscription rights (18 th resolution)	shares: €36 million ⁽¹⁾ debt securities: €1 billion ⁽¹⁾	26 months (July 2018)
Increase in the number of securities to be issued under issues with or without pre-emptive subscription rights (19 th resolution)	15%, subject to the ceilings applicable for the issues concerned	26 months (July 2018)
Issuance of new shares paid up by capitalizing reserves, income or additional paid-in capital (20 th resolution)	€80 million	26 months (July 2018)
Issuance of shares for a stock-for-stock offer or in payment for contributed assets (21 st resolution)	€36 million ⁽¹⁾	26 months (July 2018)
Employee rights issue (22 nd resolution)	€7 million (less than 2% of current capital)	26 months (July 2018)
Blanket ceilings on all the authorizations sought (except for share issues carried out under the 20 th and 22 nd resolutions). (23 rd resolution)	shares: €127 million (less than 35% of current capital) debt securities: €2.5 billion	26 months (July 2018)
Capital reduction by canceling shares (24 th resolution)	10% of the current capital	18 months (November 2017)
Share buyback program (5 th resolution)	18.19 million shares at a maximum price of €140 per share	18 months (November 2017)
Issuance of bonds and debt-linked securities (15 th resolution)	€2.5 billion	26 months (July 2018)
Performance share plans (25 th resolution)	0.5% of the current capital excluding the Chief Executive Officer Subject to performance conditions	38 months (July 2019)

(1) Included in the ceiling set in the 17th resolution (issuance through a public offer without pre-emptive subscription rights).



REPORT OF THE SUPERVISORY BOARD

To the Shareholders,

You will find below our report to the 2015 Annual Shareholders Meeting.

RECOMMENDATIONS CONCERNING THE RE-ELECTION OR APPOINTMENT OF SUPERVISORY BOARD MEMBERS AND THE STATUTORY AUDITORS (RESOLUTIONS 7 TO 9 AND 11 TO 14)

The terms of Anne-Sophie de La Bigne and Jean-Pierre Duprieu as Supervisory Board members and the appointment of both Statutory Auditors and their substitutes are due to expire at the close of the Annual Shareholders Meeting on May 13, 2016.

In addition, the Supervisory Board appointed Monique Leroux as a member during the year, subject to ratification by shareholders at the Annual Meeting.

Note that the General Partners do not take part in the election or re-election of Supervisory Board members or the appointment or re-appointment of the Statutory Auditors (refer to the detailed information in the report of the Chief Executive Officer on the proposed resolutions).

Re-elections of Supervisory Board members

Anne-Sophie de La Bigne and Jean-Pierre Duprieu have informed the other Supervisory Board members that they wish to stand for re-election.

In reviewing their proposed re-election, the Compensation and Appointments Committee took into account the main candidate assessment criteria, covering their skills, experience, independence and availability (i.e. that they do not hold too many other directorships) and the commitment to promoting Board diversity in terms of both culture and background.

When examining the individual situations of Anne-Sophie de La Bigne and Jean-Pierre Duprieu, the Board notably considered:

- ▶ The pros and cons of re-electing them.
- ▶ The skills and experience they bring to the Board.
- ▶ Their availability and involvement in the work of the Board and its Committees.
- ▶ Their independence and the absence of any conflicts of interest.
- ▶ Their contribution to the diversity of the Board in terms of gender equality and cultural backgrounds.

/ Anne-Sophie de La Bigne



Airbus Group – 12, rue Pasteur – BP 75 – 92152 Suresnes Cedex – France

Anne-Sophie de La Bigne was born in 1960 and is a French national. Since 2008, she has been Vice President in charge of Civil Affairs in the Public Affairs Division, France, at Airbus Group ⁽¹⁾.

Anne-Sophie de La Bigne owns 903 Michelin shares. She has been a member of the Supervisory Board and its Audit Committee since 2013 and is considered by the Supervisory Board as being an independent member ⁽²⁾ because:

- ▶ She does not have any close family ties with either the Chief Executive Officer or any member of the Supervisory Board.
- ▶ She is not currently and never has been an employee of Michelin or any of its subsidiaries.
- ▶ She has not been a member of the Supervisory Board for more than 12 years.
- ▶ She is not an executive officer of a company in which Michelin directly or indirectly has a seat on the Board, or in which an executive officer of Michelin has a seat on the Board.
- ▶ She is not a customer, supplier or banker that is material for Michelin or that derives a significant portion of its business from Michelin.
- ▶ She has not been an auditor of Michelin in any of the past five years.
- ▶ She is not a shareholder or an executive officer of SAGES, one of Michelin's General Partners.

The Board examined Ms. de La Bigne's candidature for re-election for a four-year term based on the above-mentioned criteria, and particularly took into account:

- ▶ Her contribution to the work of the Board and its Audit Committee, as reflected in her availability and attendance rate.
- ▶ Her excellent understanding of the challenges facing the Group.

- ▶ Her participation in Board discussions.
- ▶ Her familiarity with French and international industrial strategies.
- ▶ Her independent viewpoint as someone who comes from outside the tire business.

On the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided to recommend that Anne-Sophie de La Bigne be re-elected for a further four-year term. Ms. de La Bigne did not take part in the Board's discussion or vote.

/ Jean-Pierre Duprieu



Air Liquide – 75, quai d'Orsay – 75321 Paris – France

Jean-Pierre Duprieu was born in 1952 and is a French national. He is Executive Vice President of the Air Liquide Group ⁽¹⁾. He has been a member of Air Liquide's Executive Management team since 2010,

in charge of supervising the group's European and Healthcare activities as well as corporate functions, including information systems and Efficiency/Purchasing programs.

Jean-Pierre Duprieu owns 510 Michelin shares.

He has been a member of the Supervisory Board and its Audit Committee since 2013 and is considered by the Supervisory Board as being an independent member ⁽²⁾ because:

- ▶ He does not have any close family ties with either the Chief Executive Officer or any member of the Supervisory Board.
- ▶ He is not currently and never has been an employee of Michelin or any of its subsidiaries.
- ▶ He has not been a member of the Supervisory Board for more than 12 years.
- ▶ He is not a corporate officer of a company in which Michelin directly or indirectly has a seat on the Board, or in which a corporate officer of Michelin has a seat on the Board.

(1) Listed company.

(2) See the detailed review of Supervisory Board members' independence in the report of the Chairman of the Supervisory Board on the membership of the Supervisory Board (section 4.5.1 b) of the 2015 Registration Document).

- ▶ He has not been an auditor of Michelin in any of the past five years.
- ▶ He is not a shareholder or a corporate officer of SAGES, which is one of Michelin's General Partners.
- ▶ He is not a customer, supplier or banker that is material for Michelin or that derives a significant portion of its business from Michelin.

The Board examined Mr. Duprieu's candidature for re-election for a four-year term based on the above-mentioned criteria, taking into account:

- ▶ His contribution to the work of the Board and its Audit Committee.
- ▶ His availability and attendance rate at Board and Audit Committee meetings.
- ▶ His excellent understanding of the challenges facing the Group.
- ▶ His participation in Board discussions.
- ▶ His experience of the manufacturing sector.
- ▶ His familiarity with international markets, particular in Asia.

On the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided to recommend that Jean-Pierre Duprieu be re-elected for a further four-year term. Mr. Duprieu did not take part in the Board's discussion or vote.

Ratification of the appointment of a Supervisory Board member

/ Monique Leroux



Mouvement des Caisses Desjardins – Tour Sud – 40^e étage – 1, complexe Desjardins – Montréal (Québec) H5B 1B2 – Canada

Monique Leroux was born in 1954 and is a Canadian national. She has been Chair of the Board, President and Chief Executive

Officer of Desjardins, Canada's largest cooperative financial group, since 2008.

Monique Leroux owned 400 Michelin shares as of March 1, 2016.

Monique Leroux has been a Supervisory Board member since October 1, 2015 and following the latest review of the independence of its members⁽¹⁾ the Board classified her as independent because:

- ▶ She does not have any close family ties with either the Chief Executive Officer or any member of the Supervisory Board.
- ▶ She is not currently and never has been an employee of Michelin or any of its subsidiaries.
- ▶ She has not been a member of the Supervisory Board for more than 12 years.
- ▶ She is not a corporate officer of a company in which Michelin directly or indirectly has a seat on the Board, or in which a corporate officer of Michelin has a seat on the Board.
- ▶ She has not been an auditor of Michelin in any of the past five years.
- ▶ She is not a shareholder or a corporate officer of SAGES, which is one of Michelin's General Partners.
- ▶ She is not a customer, supplier or banker that is material for Michelin or that derives a significant portion of its business from Michelin.

Ms. Leroux will give the Board the benefit of her experience in two areas:

As Chair of the Board, President and Chief Executive Officer of Desjardins, Canada's largest cooperative financial group, she has led the bank's dynamic growth while making it the world's fifth strongest financial institution.

Her participation in many international bodies gives her solid insight into the global markets.

On the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided to recommend that shareholders ratify Monique Leroux's appointment to the Board for two years, corresponding to the remaining term of her predecessor, Laurence Parisot.

(1) See the detailed review of Supervisory Board members' independence in the report of the Chairman of the Supervisory Board on the membership of the Supervisory Board (section 4.5.1 b) of the 2015 Registration Document).

REPORT OF THE SUPERVISORY BOARD

RECOMMENDATIONS CONCERNING THE RE-ELECTION OR APPOINTMENT OF SUPERVISORY BOARD MEMBERS AND THE STATUTORY AUDITORS (RESOLUTIONS 7 TO 9 AND 11 TO 14)

If Anne-Sophie de La Bigne and Jean-Pierre Duprieu are re-elected and Monique Leroux's appointment is ratified, after the Annual Shareholders Meeting, the expiration dates of the Supervisory Board members' terms of office will be effectively staggered, as follows:

EXPIRATION DATES OF SUPERVISORY BOARD MEMBERS' TERMS OF OFFICE

	2016 AGM	2017 AGM	2018 AGM	2019 AGM	2020 AGM
Olivier Bazil		X			
Pat Cox			X		
Barbara Dalibard				X	
Anne-Sophie de La Bigne	X				X
Jean-Pierre Duprieu	X				X
Aruna Jayanthi				X	
Monique Leroux ⁽¹⁾	X ⁽¹⁾		X		
Cyrille Poughon			X		
Michel Rollier		X			
NUMBER OF EXPIRATIONS BY YEAR	3	2	3	2	2

(1) Ratification of her appointment by the Board



STATUTORY AUDITORS' REPORTS

STATUTORY AUDITOR'S REPORT ON THE ISSUE OF SHARES AND SECURITIES WITH OR WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

(Combined Shareholders' Meeting of May 13, 2016 - 16th, 17th, 18th, 19th and 23rd resolutions)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Compagnie Générale des Etablissements Michelin ("the Company") and pursuant to Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby present our report on the shareholder authorizations sought by the Managing Chairman to issue shares and/or marketable securities, which you will be asked to approve.

Your Managing Chairman is seeking, on the basis described in his report, a 26-month authorization, from the date of this meeting, to decide on the following securities issues and set the final terms of the issues and, if appropriate, to cancel existing shareholders' pre-emptive subscription rights:

- ▶ The issue with pre-emptive subscription rights (16th resolution) of shares and/or securities carrying immediate and/or deferred rights to new or existing shares in the Company.
- ▶ The issue through a public offer without pre-emptive subscription rights (17th resolution) of shares and/or securities carrying immediate and/or deferred rights to new or existing shares in the Company.
- ▶ The issue, without pre-emptive subscription rights, through an offer governed by paragraph II of Article L. 411-2 of the French Monetary and Financial Code, within the limit of 20% of the Company's share capital per year (18th resolution), of shares and/or securities carrying immediate and/or deferred rights to new or existing shares in the Company.

The aggregate par value of shares issued under the 16th, 17th, 18th, 19th, 20th and 21st resolutions, either immediately or on conversion, exchange, redemption or exercise of securities shall not, under the 23rd resolution exceed €127,000,000, it being stipulated that the aggregate par value of shares issued under the 17th and 18th resolutions shall not exceed €36,000,000.

The aggregate nominal amount of debt securities issued under the 15th, 16th, 17th, 18th, 19th and 21st resolutions shall not, under the 23rd resolution, exceed €2,500,000,000, it being stipulated that the aggregate par value of debt securities issued under the 17th and 18th resolutions shall not exceed €1,000,000,000.

These ceilings take into account the additional securities to be issued under the 16th, 17th and 18th resolutions in accordance with Article L. 225-135-1 of the French Commercial Code, if shareholders also adopt the 19th resolution.

The Managing Chairman is responsible for preparing a report on the proposed issues in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express a conclusion on the fairness of accounting information contained in his report, on the proposed waiver of shareholders' pre-emptive subscription rights and on certain other information pertaining to the issues as presented in his report.

We performed the procedures that we considered necessary in accordance with the professional standards issued by our professional body, Compagnie Nationale des Commissaires aux Comptes, for this type of engagement. Those procedures consisted of reviewing the contents of the Managing Chairman's report concerning the proposed issues and the proposed method of determining the issue price of the shares.

Subject to a subsequent examination of the final terms of any issues decided by the Managing Chairman, we have nothing to report concerning the proposed method of determining the issue price of the shares under the 17th and 18th resolutions, as described in the Managing Chairman's report.

As the Managing Chairman's report does not describe the method to be used to determine the issue price of shares under the 16th resolution, we do not express a conclusion thereon.

As the final issue terms have not yet been set, we do not express a conclusion thereon and, consequently, on the proposed waiver of shareholders' pre-emptive subscription rights under the 17th and 18th resolutions.

As required by Article R. 225-116 of the French Commercial Code, we will issue a further report if and when the Managing Chairman decides to use these authorizations to issue equity instruments carrying rights to other equity instruments or debt securities, in the event of the issue of securities carrying rights to shares to be issued and in the event of the issue of shares without pre-emptive subscription rights.

Neuilly-sur-Seine, February 15, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Éric Bulle

Deloitte & Associés

Pascale Chastaing-Doblin

STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL INCREASE RESERVED FOR MEMBERS OF A COMPANY SAVING PLAN

Combined Shareholders' Meeting of May 13, 2016 (22nd resolution)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Compagnie Générale des Etablissements Michelin and pursuant to Articles L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation to the Managing Chairman of the authority to decide a share capital increase through the issue of ordinary shares with cancellation of pre-emptive subscription rights, reserved for employee members of a company saving plan of your Company linked to Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code (*Code du travail*) and up to a maximum amount of €7,000,000, on which you are asked to vote.

Shareholders are asked to approve this share capital increase pursuant to Article L. 225-129-6 of the French Commercial Code and Article L. 3332-18 *et seq.* of the French Labor Code.

Your Managing Chairman recommends that, based on his report and for a period of 26 months as of the date of this meeting, you delegate to him the authority to decide a share capital increase and cancel your pre-emptive subscription rights to the ordinary shares to be issued. The Managing Chairman would also decide the final terms of the issue, if appropriate.

The Managing Chairman is responsible for preparing a report on the proposed issue in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code. Our role is to express a conclusion on the fairness of the quantified data extracted from the financial statements, on the proposed cancellation of pre-emptive subscription rights and on certain other information pertaining to the issue as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the content of the Managing Chairman's report as it relates to this transaction and the terms and conditions governing the determination of the issue price of shares.

Subject to a subsequent review of the final terms of any share capital increase that may be decided, we have nothing to report concerning the proposed terms of determining the issue price of the shares, as described in the Managing Chairman's report.

As the final terms and conditions of the share capital increase have not been determined, we do not express a conclusion thereon and, consequently, on the proposed cancellation of pre-emptive subscription rights on which you are being asked to vote.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue a further report if and when the Managing Chairman decides to use this authorization.

Neuilly-sur-Seine, February 15, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Éric Bulle

Deloitte & Associés

Pascale Chastaing-Doblin

STATUTORY AUDITORS' REPORT ON THE CAPITAL REDUCTION

Combined shareholders' meeting of May 13, 2016 (24th resolution)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Compagnie Générale des Etablissements Michelin and pursuant to Article L. 225-209 of the French Commercial Code (*Code de commerce*) concerning capital reductions carried out by cancelling bought-back shares, we hereby present our report on our assessment of the reasons for and terms of the proposed capital reduction.

Your Managing Chairman has proposed that you delegate to him, for a period of 18 months as of the date of this meeting, the authority to cancel, for up to 10% of its share capital, the bought-back shares, as authorized by your company under the aforementioned article.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*), for this type of engagement. Those procedures consisted of examining whether the reasons for and the terms of the proposed capital reduction were compliant with the provisions of the law applicable to these operations. We have nothing to report concerning the reasons for and the terms of the proposed capital reduction.

Neuilly-sur-Seine, February 15, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Éric Bulle

Deloitte & Associés

Pascale Chastaing-Doblin

STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO GRANT PERFORMANCE SHARES, EXISTING OR TO BE ISSUED

Combined Shareholders' Meeting of May 13, 2016 (25th resolution)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Compagnie Générale des Etablissements Michelin and pursuant to Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the authorization sought to grant performance shares, existing or to be issued, to selected employees of your company and the companies affiliated to it within the meaning of Article L. 225-197-2 of the French Commercial Code, with the exception of corporate officers of your company, on which you are asked to vote. The number of shares, existing or to be issued, granted in accordance with this authorization will not represent more than 0,5% of share capital at the date of this shareholders' meeting.

Your Managing Chairman recommends that, based on his report and for a period of 38 months as of the date of this meeting, you authorize him to grant performance shares, existing or to be issued.

The Managing Chairman is responsible for preparing a report on the proposed operation. Our role is to report to you on the information provided to you on the proposed operation.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement.

Such procedures primarily consisted in verifying that the terms proposed and the information included in the Managing Chairman's report comply with the applicable legal provisions.

We have nothing to report concerning the information included in the Managing Chairman's report on the proposed authorization to grant performance shares.

Neuilly-sur-Seine, February 15, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Éric Bulle

Deloitte & Associés

Pascale Chastaing-Doblin



FIVE-YEAR FINANCIAL SUMMARY OF COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN

(in € thousand and in € per share,
unless otherwise specified)

	2011	2012	2013	2014	2015
I – Capital at December 31					
a) Share capital	360,038	365,113	371,579	371,452	363,804
b) Number of common shares outstanding	180,018,897	182,556,713	185,789,643	185,726,200	181,902,182
II – Results of operations					
a) Net revenue	532,552	566,610	545,071	503,954	564,550
b) Earnings before tax, depreciation, amortization and provisions (EBTDA)	382,027	477,181	331,917	598,149	653,701
c) Income tax	21,646	(7,993)	12,741	22,365	40,511
d) Net income	360,146	465,119	302,985	555,428	589,684
III – Per share data					
a) Earnings per share after tax, before depreciation, amortization and provision expenses (EBDA)	2.00	2.66	1.72	3.10	3.37
b) Basic earnings per share	2.00	2.55	1.63	2.99	3.24
c) Dividend per share	2.10	2.40	2.50	2.50	2.85 ⁽¹⁾
IV – Employee data					
a) Average number of employees	14	10	8	8	7
b) Total payroll	4,245	1,434	485	318	670
c) Total benefits	1,436	648	(119)	139	199

(1) Subject to approval by shareholders at the Annual Meeting on May 13, 2016.



PARTICIPATION IN THE SHAREHOLDERS' MEETING

All shareholders are eligible to participate in Shareholders' Meetings, however many shares they own.

A. FORMALITIES TO BE ELIGIBLE TO PARTICIPATE IN THE SHAREHOLDERS' MEETING

To attend the Meeting in person, participate by proxy or vote online or by post, your shares must be recorded in the Company's share register in your name as of no later than 12:00 am CET on the second business day preceding the Meeting (*i.e.*, midnight CET on the morning of **May 11, 2016**).

Only shareholders that fulfill this requirement by midnight CET on the morning of **May 11, 2016** on the basis specified in Article R. 225-85 of the French Commercial Code, as described above, will be entitled to participate in the Meeting.

Note that all Michelin shares are registered shares and all shareholders are therefore identified by name in the Michelin share register (with a Michelin ID), whatever their country of residence.

B. HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING

1. If you wish to attend the Meeting in person, you may request an admission card in advance, either by:
 - email, following the instructions in the email delivering the Notice of Meeting
 - returning the proxy/postal voting form after checking the box «I will attend the Shareholders' Meeting», using the pre-addressed envelope that came with the Notice of Meeting.
2. If you are unable to attend the Meeting in person and wish to vote by post or online or give proxy to the Meeting Chairman or any other person, you may either:
 - return the proxy/postal voting form that came with the Notice of Meeting, using the pre-addressed envelope and taking care that it is received at least three days before the date of the Meeting, *i.e.*, no later than **May 10, 2016**.

- cast your vote online prior to the Meeting.
 - If you opted for the e-Notice of Meeting, you will receive an email with the Notice of Meeting and a link to the secure online voting site <https://michelin.voteassemblee.com>. Please use the access code given in the email, and the password sent to you in a separate email the same day.
 - Other shareholders may also opt to vote online by mailing a request at least 35 days before the Meeting to Société Générale, Service Assemblées, 32, rue du Champ-de-Tir, CS30812, 44308 Nantes Cedex 03, indicating your name, address and date of birth. In reply, Société Générale will email a link to the secure voting site, followed by another email with the password to vote. The website will be open from 9:00 am on **April 7, 2016** until 3:00 pm on **May 12, 2016**, CET. To avoid overloading the site, shareholders are encouraged not to wait until the last minute to vote.
- 3. In accordance with Article R. 225-79 of the French Commercial Code, you may also give or withdraw proxies by sending an email to mandatAG2016@fr.michelin.com, taking care to sign with an electronic signature obtained from an accredited certification service provider. The email should indicate your name, address and Michelin ID, as well as the name of the person to whom you are giving proxy or from whom the proxy is being withdrawn.
Only duly completed and signed notifications received by **May 10, 2016** will be taken into account. The above email address should be used only to send emails giving or withdrawing proxies. Requests or notifications concerning other matters will not be taken into account or processed.

C. REQUEST TO ADD RESOLUTIONS OR ITEMS TO THE MEETING AGENDA, WRITTEN QUESTIONS AND CONSULTATION OF DOCUMENTS MADE AVAILABLE TO SHAREHOLDERS

1. One or several shareholders representing at least the percentage of capital specified in the applicable laws and regulations may request the inclusion of certain resolutions or items on the Meeting agenda on the basis specified in Articles R. 225-71 and R. 225-73 of the French Commercial Code. Requests to include resolutions or items on the agenda should be sent by shareholders, indicating their Michelin ID, to: Compagnie Générale des Établissements Michelin, for the attention of Jacques Engasser, 12, cours Sablon, 63000 Clermont-Ferrand, France, by registered letter with return receipt requested, within twenty days of publication of this Notice of Meeting, *i.e.*, no later than **March 27, 2016**.

Each request should include the text of the proposed resolution, including a short description of why it is being proposed, or the reasons for requesting the inclusion of the agenda item.

For the proposed resolutions or agenda items to be discussed at the Meeting, your shares must be recorded in the Company's share register as of no later than 12:00 am CET on the second business day preceding the Meeting date (*i.e.*, midnight CET on the morning of **May 11, 2016** at the latest).

The texts of any resolutions tabled by shareholders will be posted as soon as possible on the Company's website (<http://www.michelin.com>).

2. In accordance with Article R. 225-84 of the French Commercial Code, written questions should be submitted to Compagnie Générale des Établissements Michelin, for the attention of Mr. Jacques Engasser, 12, cours Sablon, 63000 Clermont-Ferrand, France, by registered letter with return receipt requested, indicating your Michelin ID, no later than the fourth business day preceding the Meeting, *i.e.*, **May 9, 2016**.

Only questions received from shareholders whose shares are recorded in the Company's share register will be taken into account.

3. In accordance with the applicable laws and regulations, all documents required to be made available to shareholders in connection with Shareholders' Meetings will be made available at the Company's headquarters, 12, cours Sablon, 63000 Clermont-Ferrand, France, as from the date of publication of the Notice of Meeting or fifteen days prior to the Meeting, depending on the document concerned. The documents provided for in Article R. 225-73-1 of the French Commercial Code will be posted on the Company's website: <http://www.michelin.com>, from the twenty-first day preceding the Meeting, *i.e.* **March 7, 2016**.

The Chief Executive Officer

**TOGETHER,
WE CAN REDUCE PAPER
AND INK CONSUMPTION
AND CUT POSTAL EXPENSES!**

All our documents are available in digital format.

To be browse online or downloaded
from our www.michelin.com website.

We thank you for your contribution to this approach.





DOCUMENT REQUEST

(to be sent with the voting form)

Mr., Mrs, Miss:

Address:

ZIP code: Town/country:

E-mail :@

- Pursuant to article R. 225-88 of the French Commercial Code, wishes to receive the documents and information concerning the Annual Shareholders' Meeting to be held on May 22, 2015, listed under article R. 225-83 of the French Commercial Code.

Preferred format (by default, digital format sent by e-mail):

- By e-mail By post

This documentation is also available from the www.michelin.com website.

Made in Date

Signed





NOTES



NOTES

**COMPAGNIE GÉNÉRALE DES
ÉTABLISSEMENTS MICHELIN**

12, cours Sablon
63040 Clermont-Ferrand Cedex 9 – France
Phone: + 33 (04) 73 98 59 00
Fax: + 33 (04) 73 98 59 30

Website : www.michelin.com

Partnership limited by shares with the capital of € 363,804,364
855 200 887 R.C.S. Clermont-Ferrand

