

## 10.1\_ REPORT OF THE MANAGING PARTNERS AND PROPOSED RESOLUTIONS

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.

### 10.1.1 ORDINARY RESOLUTIONS

#### 1st and 2nd resolutions

##### Approval of the Company financial statements for the year ended December 31, 2010

##### Appropriation of income for the year ended December 31, 2010 and approval of the recommended dividend with a dividend reinvestment option

The first two resolutions concern approval of the Company's 2010 financial statements and appropriation of 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 income for the period which amounts to €184,932,057.87.

After (i) allocating €5,834,297.60 to the legal reserve to increase it to one tenth of the Company's capital and (ii) deducting the €10,494,740.00 attributable to the General Partners in accordance with the bylaws, the balance of €168,603,020.27 plus €385,211,975.14 in retained earnings brought forward from prior years represents a total of €553,814,995.41 available for distribution to shareholders.

We are recommending paying a 2010 dividend of €1.78 per share.

Dividends will be payable to the shareholders of record at the close of business on May 19, 2011 (the record date).

The ex-dividend date will be May 20, 2011.

To exercise the dividend reinvestment option, shareholders should send a duly completed share purchase form to the paying agent for receipt between May 20 and the close of business on June 7, 2011.

Shares allocated in payment of dividends will be issued at a price equal to 90% of the average of the opening prices quoted for the Company's shares on NYSE Euronext Paris over the period from April 13 to May 12, 2011 less the net dividend of €1.78.

The dividend will be converted into shares on a net basis.

If the amount of the reinvested dividends does not correspond to a whole number of shares, the shareholder will receive the next lower number of shares and the balance in cash.

The shares will be issued cum rights January 1, 2011 and will rank pari passu with existing shares. They will be delivered to the banks and brokers that manage the shareholders' securities accounts on June 20, 2011.

The cash dividend will be paid as from June 20, 2011.

#### Resolutions:

##### First resolution (Approval of the Company financial statements for the year ended December 31, 2010)

Having considered the reports of the Managing Partners, the Statutory Auditors and the Supervisory Board, the Ordinary General Meeting approves the Company financial statements for the year ended December 31, 2010 which show income for the period of €184,932,057.87.

The Ordinary General 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 income for the year ended December 31, 2010 and approval of the recommended dividend with a dividend reinvestment option)

On the recommendation of the Managing Partners (as approved by the Supervisory Board) and having noted that the total amount available for distribution is as follows:

Income for the year	€ 184,932,057.87
Amount appropriated to the legal reserve so that it represents one-tenth of the share capital	€ 5,834,297.60
Statutory share of profits attributed to the General Partners	€ 10,494,740.00
Balance	€ 168,603,020.27
Plus retained earnings brought forward from prior years	€ 385,211,975.14
Total amount available for distribution	€ 553,814,995.41
The Ordinary Shareholders Meeting resolves:	
• To pay an aggregate dividend of representing €1.78 per share	€ 314,361,964.10
• To appropriate the balance of to retained earnings	€ 239,453,031.31

Shareholders will be offered the option of reinvesting their dividend in new shares.

The reinvestment option may be exercised from May 20, 2011 until June 7, 2011. Shareholders who have not exercised their option within this period will receive the total dividend in cash.

Cash dividends will be paid and stock dividends will be delivered as from June 20, 2011.

If the amount of the reinvested dividends does not correspond to a whole number of shares, the shareholder will receive the next lower number of shares and the balance in cash.

Shares allocated in payment of dividends will be issued at a 10% discount to the average of the opening prices quoted for the Company's shares on NYSE Euronext Paris over the twenty trading days preceding the Meeting at which the dividend is approved, less the net dividend. The price calculated by this method will be rounded up to the nearest euro cent.

The issued shares will carry dividend rights from January 1, 2011 and rank pari passu with existing shares.

For individual shareholders domiciled in France for tax purposes, the total dividend (paid in cash or in shares) will be:

- Eligible for the 40% allowance provided for under Article 158-3-2 of the French General Tax Code, except when shareholders elect to pay the 19% flat-rate dividend withholding tax provided for in Article 117 quater of said Code (election to be made at the latest on the date when they choose between receiving the dividend in cash or shares).
- Subject to the applicable social security and additional contributions withheld at source by the Company at a rate of 12.3%.

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

The Ordinary Shareholders Meeting gives full powers to the Managing Partners, or to any one of them, to (i) use this authorization and carry out all transactions related to the dividend reinvestment option, (ii) place on record the ensuing capital increase and (iii) amend Article 6 of the Company's bylaws to reflect the new share capital.

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

Year	Total dividend payout (in euros)	Dividend per share (in euros)
2007	230,398,670.40	1.60*
2008	144,997,422.00	1.00*
2009	147,436,357.00	1.00*

\* 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.

### 3rd Resolution

#### Approval of the consolidated financial statements for the year ended December 31, 2010

The purpose of the third resolution is to approve the consolidated financial statements for the year ended December 31, 2010, which show income for the period of €1,049,474 thousand.

The Registration Document, the Annual Report and Sustainable Development Report and the Shareholders' Guide, which can be downloaded from the Corporate/Finance section of Michelin's website ([www.michelin.com](http://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.

#### Resolution:

#### Third resolution (Approval of the consolidated financial statements for the year ended December 31, 2010)

Having considered the reports of the Managing Partners, the Statutory Auditors and the Supervisory Board, the Ordinary Shareholders Meeting approves the consolidated financial statements for the year ended December 31, 2010 which show income for the period of €1,049,474 thousand.

### 4th resolution

#### Approval of a related-party agreement authorized in advance by the Supervisory Board

In the fourth resolution, we are asking shareholders to approve the underwriting agreement for the rights issue placed on record on October 25, 2010. This agreement with a banking syndicate led by BNP Paribas was authorized by the Supervisory Board at its meeting on September 24, 2010. The persons concerned are Laurence Parisot and François Grappotte, who are both members of the Michelin Supervisory Board and also sit on the BNP Paribas Board of Directors.

#### Resolution:

#### Fourth Resolution (Approval of a related-party agreement authorized in advance by the Supervisory Board)

Having considered the Managing Partners' report and the Statutory Auditors' special report, the Ordinary Shareholders Meeting approves the underwriting agreement entered into with a banking syndicate led by BNP Paribas for the rights issue placed on record on October 25, 2010, that was authorized by the Supervisory Board at its September 24, 2010 meeting.

### 5th resolution

#### Authorization for the Managing Partners to carry out a share buyback program, based on a maximum purchase price per share of €100

In the fifth resolution, shareholders are invited to renew the authorization for the Company to buy back its own shares over a period of eighteen months. The maximum purchase price per share under this authorization would be €100 and the maximum number of shares purchased would represent less than 10% of the total shares outstanding at the time of the transaction(s). This authorization would replace that granted for the same purpose by the Annual Shareholders Meeting of May 7, 2010. Note that this latter authorization was not used in 2010, that the company does not currently hold any shares in treasury and that, to date, no liquidity contract has been concluded by the Company with an investment firm.

**Resolution:**

**Fifth resolution** (Authorization for the Managing Partners to carry out a share buyback program, based on a maximum purchase price per share of €100)

Having considered the reports of the Managing Partners 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 Autorité des Marchés Financiers (AMF), the Ordinary General Meeting authorizes the Managing Partners to buy back the Company's shares in accordance with Articles L.225-209 et seq. of the French Commercial Code, at a maximum purchase price per share of €100.

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 and the Company may not hold more than 10% of its own share capital at any time. The total number of shares 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.

The maximum amount that may be invested in the share buyback program, within the meaning of Article R.225-151 of the French Commercial Code, is set at €1,766,000,000, corresponding to 17,660,000 shares bought back at the maximum purchase price per share of €100 and representing less than 10% of the Company's share capital at the date of this Meeting

The objectives of the share buyback program, in declining order of priority, are as follows:

- 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 to employees of the Group in accordance with the conditions set down by law, including (i) upon exercise of stock options, (ii) under performance share plans and (iii) in connection with employee rights issues.
- To purchase shares for allocation upon 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.
- 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.

The shares may be purchased, sold, exchanged or transferred by any appropriate method allowed under the laws and regulations in force at the transaction date, either on the market, or over-the-counter or otherwise. The authorized methods include the use of derivative financial instruments such as options or warrants. The entire buyback program may be implemented through a block trade and the shares may also be used in securities lending transactions.

The Managing Partners, or any one of them, 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 the authorization granted for the same purpose in the eleventh resolution of the Annual Shareholders Meeting held on May 7, 2010.

## 10.1.2 EXTRAORDINARY RESOLUTIONS

### 6th to 11th resolutions

#### Election of a new Managing General Partner and amendment to the bylaws concerning the Statuts of Managing General Partners and the powers of the Supervisory Board.

In preparation for my retirement which, barring any circumstances beyond my control, will be submitted to shareholder approval, I and my fellow General Partner propose that Jean-Dominique Senard be elected as Managing General Partner to serve alongside me, in order to ensure a seamless transition in the Company's management. If shareholders adopt the related resolution, Article 1 of the Company's bylaws will be amended to reflect Mr. Senard's election.

After holding senior management positions in other companies, Mr. Senard made his mark at Michelin first as Chief Financial Officer and then as Non-General Managing Partner as part of the senior management team I lead. He has all the necessary experience, personal qualities and skills to successfully lead our dynamic growth strategy.

We felt that this election also offered an opportunity to review our governance structure in light of our current size and the challenges and demands created by our development, while respecting the management principles that have underpinned our success. We are therefore asking shareholders to approve a certain number of changes to the bylaws that are designed to adapt our governance structure.

Currently, in application of Article 10 of the bylaws, Managing General Partners are elected by shareholders based on the unanimous proposal of the General Partners. They are not subject to any term restrictions except for the statutory age limit, whereas Non-General Managing Partners are elected for a five-year term.

We believe that Article 10 of the bylaws should be amended to set the terms of all Managing Partners, both General and Non-General, at four years.

Candidates for election as Managing Partners would be designated by the Non-Managing General Partner after consulting the Supervisory Board. They would be elected by shareholders in Ordinary or Extraordinary Meeting for a fixed term, regardless of whether they were General or Non-General Partners. To simplify the re-election of Managing Partners, we are proposing that the decision should be made by the Non-Managing General Partner, but only after obtaining the agreement of the Supervisory Board whose members are elected by sole decision of the shareholders.

The Company's bylaws do not currently include any provisions covering the removal from office of a Managing General Partner. We therefore propose inserting in Article 13 of the bylaws the possibility of removing a Managing General Partner or Non-General Managing Partner from office for just cause at the initiative of the Non-Managing General Partner after obtaining the agreement of the Supervisory Board. Compensation for loss of office could be awarded to a Managing General Partner or Non-General Managing Partner who was removed from office following a change of strategy or a change of control of the Company, for reasons other than gross misconduct. Any such award would be made at the initiative of the Non-Managing General Partner and with the prior agreement of the Supervisory Board. It would not exceed the equivalent of the Managing Partner's total compensation for the two years preceding the year of his or her removal from office.

We also propose including in the bylaws a clause allowing a Managing General Partner to resign, provided that the decision is announced at least six months before the next Annual Shareholders Meeting and that shareholders adopt an extraordinary resolution accepting the resignation.

In order to place the future Managing General Partners at the heart of Michelin's current organization, as Managing General Partner, Mr. Senard would also be appointed – for the same term – co-Managing Partner of Manufacture Française des Pneumatiques Michelin (MFPM), which manages the Group and provides support services for its various units.

At present, the Managing General Partners' compensation is entirely variable and is based on the income generated by the Group. They decide between themselves how to allocate the total share of net income awarded to them. This compensation system will continue to apply but we propose that the Supervisory Board should have a say on how the total amount is allocated. Naturally, the Supervisory Board's recommendation will take into account Mr. Senard's fixed annual compensation for his duties and responsibilities within MFPM that will be determined and guaranteed by MFPM when he is first appointed as Managing General Partner.

Lastly, so that each Managing General Partners identify more closely with the Company, we believe that they should each hold 5,000 qualifying shares. This represents a change from the current requirement in Article 11 of the bylaws for all the Managing General Partners to jointly hold 17,500 qualifying shares.

Article 10 of the bylaws stipulates that each Managing General Partner and Non-General Managing Partner has the same powers within the Group and when representing the Group in its dealings with third parties.

We propose that a Managing Chairman should be appointed, selected in principle from among the Managing General Partners after consulting the Supervisory Board (unless there is only one Managing Partner).

The Managing Chairman would lead and guide the Managing Partners, define their respective areas of responsibility and determine the scope of their authority.

He would report to the Supervisory Board and the Non-Managing General Partner on the consistency and effectiveness of the Managing Partners' management.

These proposals would entail amending Article 10 of the bylaws.

Article 17 of the bylaws describes the Supervisory Board's role only as exercising permanent oversight of the Company's management in accordance with the law.

In recent years, the increased frequency and quality of exchanges between the Managing Partners and the Supervisory Board have enabled the Board to deepen its oversight. To ensure that these good

practices continue, we propose that as part of its permanent oversight role, the Supervisory Board should focus in particular on assessing the quality of the Managing Partners' management of the Company.

To this end, the Managing Chairman and the other Managing Partners would report regularly to the Supervisory Board on the Group's situation and consult the Board from time to time concerning significant projects for the Company. The list of matters on which the Supervisory Board would be required to be consulted would be included in its internal rules.

The Supervisory Board would then be better equipped to approve or express an opinion on proposed changes to the composition of the partnership.

Shareholders are invited to amend Articles 10 and 17 to reflect the changes outlined above.

In conclusion:

These proposed changes should help to clarify relations among the Managing Partners, with each Managing Partner fulfilling his respective responsibilities under the authority of the Managing Chairman.

In making its strategic choices, the senior management team in its new configuration would benefit from the experience acquired by members of the Supervisory Board, whose role would be expanded.

The Non-Managing General Partner and I, for as long as I remain in office, will continue to guarantee Michelin's lasting success and the continued application of the management principles that have contributed to its growth.

#### Resolutions:

##### **Sixth resolution** (*Election, term and re-election of Managing General Partners and Non-General Managing Partners*)

Having considered the reports of the Managing Partners and the Supervisory Board and noted the approval of each of the General Partners, the Extraordinary Shareholders Meeting resolves, subject to the eighth resolution of this Meeting being adopted:

- That new Managing General Partners and Non-General Managing Partners shall be elected by shareholders in General Meeting, as is currently the case, but that candidates shall be designated by the Non-Managing General Partner after consulting the Supervisory Board, without prejudice to the provisions of the bylaws concerning vacant Managing Partner positions.
- That Managing General Partners and Non-General Managing Partners shall be elected for a term of up to four years and may stand for re-election one or several times.
- That their re-election or any extension of their term shall be proposed by the Non-Managing General Partner, with the Supervisory Board's agreement, at least four months before the expiry date of their current term.
- That, if the Supervisory Board has not confirmed its agreement at least three months before the expiry date of their current term, the Non-Managing General Partner may submit to the Managing Partners for inclusion on the agenda of the next Ordinary or Extraordinary Shareholders Meeting, resolutions proposing the election of one or more new Managing General Partners or Non-General Managing Partners.
- That, in light of the foregoing, the first five paragraphs of Article 10 of the Company's bylaws shall be amended to read as follows:

**OLD WORDING:***"Article 10*

*The Company is managed by one or more Managing Partners, who may or may not be General Partners.*

*The Managing Partners must be individuals, except as specified in Article 13 herebelow.*

*The Managing General Partners or Non-General Managing Partners are elected, respectively, by the Extraordinary Shareholders Meeting or the Ordinary Shareholders Meeting based on the unanimous proposal of the Managing and/or Non-Managing General Partner(s).*

*The General Partner(s) consult the Supervisory Board prior to putting forward the names of one or more candidates for election as Managing General Partner or Non-General Managing Partner.*

*The Non-General Managing Partner(s) are elected for a term of up to five years expiring at the close of the Annual Shareholders Meeting held in the final year of their term. Non-General Managing Partner(s) may be re-elected according to the same process as described above."*

**NEW WORDING:***"10-1 – Election, term and re-election of Managing Partners*

*The Company is managed by one or more Managing Partners, who may or may not be General Partners.*

*The Managing Partners must be individuals, except as specified in Article 13 herebelow.*

*The Managing General Partners are elected by the Extraordinary Shareholders Meeting and the Non-General Managing Partners by the Ordinary Shareholders Meeting based on the proposal of the Non-Managing General Partner.*

*The Non-Managing General Partner consults the Supervisory Board prior to putting forward the names of one or more candidates for election as Managing General Partner or Non-General Managing Partner. The corresponding resolutions are tabled by the Managing Chairman or, failing that, by any other Managing Partner, at the next Ordinary and/or Extraordinary Shareholders Meeting.*

*The Managing General Partners or Non-General Managing Partners are elected for a term of up to four years expiring at the close of the Annual Shareholders Meeting held in the final year of their term.*

*They may be re-elected to several successive terms by decision of the Non-Managing General Partner, after the Supervisory Board has confirmed its agreement, notwithstanding the provisions of Articles 25 and 26 of these bylaws. To this end, the Non-Managing General Partner submits the proposed decision to the Supervisory Board at least four months prior to the date of the Shareholders Meeting referred to in the fifth paragraph of this Article, and the Supervisory Board is required to confirm its agreement at least three months prior to the said Shareholders Meeting.*

*If the Supervisory Board has not confirmed its agreement at least three months prior to the Meeting date, the Non-Managing General Partner may submit to the Managing Chairman or to any other Managing Partner for inclusion in the agenda of the next Ordinary or Extraordinary Shareholders Meeting, resolutions proposing the election of one or more new Managing General Partners or Non-General Managing Partners.*

*To comply with the legal requirement to set a statutory age limit for serving as Managing Partner, Managing Partners will automatically stand down at the close of the Annual Shareholders Meeting held in the year of their 72nd birthday even if their term has a further period to run. However, their period in office may be extended one or several times, for an aggregate three years maximum from the date*

*of the above Annual Shareholders Meeting. Any such extension will be decided in accordance with the provisions of this Article applicable to the re-election of Managing Partners.*

*However, for as long as a Managing General Partner remains in office without any term restrictions except for the statutory age limit, the decisions to be made by the Non-Managing General Partner in application of this Article 10-1 will be made jointly with said Managing General Partner."*

- To delete the words "and their re-election" from Article 25 of the bylaws.

**Seventh resolution** *(Managing General Partners' qualifying shares)*

Having considered the reports of the Managing Partners and the Supervisory Board and noted the approval of each of the General Partners, the Extraordinary Shareholders Meeting resolves:

- That each Managing General Partner must hold at least 5,000 qualifying shares. This replaces the previous requirement for all the Managing General Partners to jointly hold 17,500 qualifying shares.
- To amend Article 11 of the bylaws by replacing the words "The Managing General Partner(s) must hold (jointly if there is more than one Managing General Partner) a total of 17,500 qualifying shares" with the words "Each Managing General Partner must hold at least 5,000 qualifying shares."

**Eighth resolution** *(Process for ending the Managing Partners' functions and the effects thereof)*

Having considered the reports of the Managing Partners and the Supervisory Board and noted the approval of each of the General Partners, the Extraordinary Shareholders Meeting resolves, subject to the sixth resolution of this Meeting being adopted:

- That a Managing General Partner may resign provided that the other Managing Partners and the Non-Managing General Partner are notified of his or her decision at least six months prior to the next Annual Shareholders Meeting. In this case, the Managing General Partner's functions will end once his or her resignation has been accepted by the shareholders in Extraordinary Meeting.
- That from the date of this Meeting, new Managing General Partners or Non-General Managing Partners may be removed from office for just cause at the initiative of the Non-Managing General Partner after obtaining the agreement of the Supervisory Board.
- That if a Managing General Partner or Non-General Managing Partner is removed from office following a change of strategy or a change of control of the Company, for reasons other than gross misconduct, he or she may be awarded compensation for loss of office, at the initiative of the Non-Managing General Partner and with the prior agreement of the Supervisory Board. Said compensation will not exceed the equivalent of his or her total compensation for the two years preceding the year of his or her removal from office.
- To amend Article 13 of the bylaws as follows:

**OLD WORDING:**

*"Article 13*

*A Managing Partner's functions end upon his or her death or incapacity, or when he or she reaches the statutory age limit or, in the case of a Non-General Managing Partner, when his or her term expires, or he or she resigns or is removed from office.*

*13-1 – Death - retirement*

*The death or the retirement, for whatever reason, of the Managing Partners or any one of them will not result in the Company being wound up.*

*If one of the Managing Partners resigns or is removed from office for whatever reason, the remaining Managing Partner(s) will continue to manage the Company, with all the powers, rights and obligations associated with this function. A Managing General Partner who retires, resigns or is removed from office, and the heirs and assigns of a deceased Managing General Partner will automatically cease to be a general partner ipso jure.*

*If a Managing General Partner ceases to be a general partner following his or her death or when he or she reaches the age limit specified above, Article 1 of these bylaws will automatically be amended to reflect this and a record thereof will be drawn up by the other General Partners who will be responsible for the related publication formalities.*

*If the Company no longer has any serving Managing General Partners or Non-General Managing Partners, for whatever reason and due to whatever circumstances, or if the Managing Partner(s) are unable to fulfill their duties for an uninterrupted period of more than 60 days, as evidenced by a narrative decision of the Supervisory Board, the General Partner(s) will serve as acting Managing Partner(s) ipso jure and will call a Shareholders Meeting within a maximum of one year to propose the election of one or several new Managing General Partners or Non-General Managing Partners.*

*Until such time as said new Managing Partner(s) take office and represent the Company in its dealing with third parties, the General Partners (whether they are individuals or legal entities) will have the powers described in Article 10 of these bylaws, which may be exercised jointly or individually. When they stop serving as acting Managing Partners following the election referred to above, they will remain General Partners.*

*If all the Managing Partners are Non-General Managing Partners, they will report to the General Partner(s) for their management of the Company and for all matters that are the responsibility of the General Partners pending the election of one or more new Managing General Partners.*

*The new Managing Partner(s) will be appointed according to the process described in Article 10 above. They will have all the powers vested in Managing Partners under the law and these bylaws, both jointly and individually.*

*13-2 – Removal from office - resignation*

*The removal from office of a Non-General Managing Partner, for just cause, may be decided by unanimous decision of the General Partner(s), after consulting the Supervisory Board.*

*The resignation of a Non-General Managing Partner will be accepted only if at least three months' notice is given to the other Managing Partners and the General Partners by registered letter. It will be effective at the end of the notice period."*

**NEW WORDING:**

*"Article 13*

*13-1 – Ending of a Managing Partner's functions*

*A Managing Partner's functions end when his or her term expires, or he or she resigns or is removed from office, or upon his or her death or incapacity, or when he or she reaches the statutory age limit.*

*The resignation of a Managing General Partner will be accepted only if notice is given to the other Managing Partners and the Non-Managing General Partner by registered letter with return receipt requested at least six months prior to the date of the next Annual Shareholders Meeting. It will be effective at the close of the said Annual Shareholders Meeting following adoption of an extraordinary resolution accepting the resignation.*

*The resignation of a Non-General Managing Partner will be accepted only if at least three months' notice is given to the other Managing Partners and the General Partners by registered letter. It will be effective at the end of the notice period.*

*The removal from office of a Managing General Partner or Non-General Managing Partner for just cause may be decided by the Non-Managing General Partner, after the agreement of the Supervisory Board has been obtained. Following receipt of the Non-Managing General Partner's proposed decision, the Supervisory Board will have two months in which to make its own decision known.*

*However, for as long as a Managing General Partner remains in office without any term restrictions except for the statutory age limit, the decisions to be made by the Non-Managing General Partner in application of this Article will be made jointly with said Managing General Partner, unless they concern the removal from office of that Managing General Partner.*

*13-2 – Effects of the ending of a Managing Partner's functions*

*The ending of a Managing General Partner's functions for whatever reason will not result in the Company being wound up.*

*If a Managing General Partner's functions end for whatever reason, without prejudice to the provisions of Article 13-1 paragraph 2:*

*The Managing Partner, or his or her heirs or assigns in the case of death, will immediately lose the status of General Partner and will become ordinary shareholders.*

*Notwithstanding the provisions of Article 26, Article 1 of these bylaws will automatically be amended to reflect this and a record thereof will be drawn up by the other General Partners who will be responsible for the related publication formalities.*

*If one of the Managing General Partners or Non-General Managing Partners resigns or is removed from office for whatever reason, the remaining Managing Partner(s) will continue to manage the Company, with all the powers, rights and obligations associated with this function as defined in Articles 10, 11 and 12 of these bylaws.*

*If a Managing General Partner or Non-General Managing Partner is removed from office following a change of strategy or a change of control of the Company, for reasons other than gross misconduct, he or she may be awarded compensation for loss of office, at the initiative of the Non-Managing General Partner and with the prior agreement of the Supervisory Board. Said compensation will not exceed the equivalent of his or her total compensation for the two years preceding the year of his or her removal from office.*

*If the Company no longer has any serving Managing General Partners or Non-General Managing Partners, for whatever reason and due to whatever circumstances, or if the Managing Partner(s) are unable to fulfill their duties for an uninterrupted period of more than 60 days, as evidenced by a narrative decision of the Supervisory Board, the Non-Managing General Partner will serve as acting Managing Partner ipso jure and will call a Shareholders Meeting within a maximum of one year to propose the election of one or more new Managing General Partners or Non-General Managing Partners.*

*Until such time as said new Managing Partner(s) take office and represent the Company in its dealing with third parties, the Non-Managing General Partner will have the powers described in Article 10 of these bylaws. When the Non-Managing General Partner stops serving as acting Managing Partner following the election referred to above, it will remain a General Partner. "*

- As a result of the foregoing, that in the first paragraph of Article 34, the words "under Articles 13 and 14" shall be replaced by the words "under Article 13-2".

**Ninth resolution** (*Organization of the Managing Partners' powers and related restrictions*)

Having considered the reports of the Managing Partners and the Supervisory Board and noted the approval of each of the General Partners, the Extraordinary Shareholders Meeting resolves:

- To create the position of Managing Chairman, to be held by the sole Managing Partner (who may be a General Partner or a Non-General Partner) or, if there are several Managing Partners, in order of priority, by (i) the current Managing General Partner or (ii) one of the Managing General Partners designated by the Non-Managing General Partner after consulting the Supervisory Board, or (iii) one of the Non-General Managing Partners designated according to the same process.
- That the Managing Chairman will (i) define the areas of responsibility of each of the Managing Partners; (ii) determine the scope of their authority; (iii) set their annual objectives and inform the Supervisory Board thereof; and (iv) lead and guide the Managing Partners while retaining final power of decision.
- That the Managing Chairman and the other Managing Partners will (i) report to the Supervisory Board on the Company's situation and on the key issues listed in the Supervisory Board's internal rules and (ii) provide the Non-Managing General Partner with the necessary information about the Company to allow the Non-Managing General Partner to fulfill the role prescribed by law and the Company's bylaws.
- To amend paragraphs 6 to 12 of Article 10 of the bylaws as follows:

**OLD WORDING:**

*"If there are several Managing Partners, they may act together or separately.*

*If there is only one Managing Partner, all references in the bylaws to the Managing Partners apply to the single Managing Partner.*

*The Managing Partners, acting jointly or separately, have the broadest powers to act in all circumstances in the name of the Company and to carry out any and all transactions falling within the scope of its corporate purpose. In particular, they may make any and all purchases and sales of raw materials and goods, subscribe, endorse, accept and settle any and all trade notes, enter into any and all commercial contracts, compound with creditors, agree to compromises, abandon claims and release guarantees, with or without payment, and participate in any and all legal proceedings as either plaintiff or defendant.*

*The Managing Partners, acting jointly or separately, also have the authority to contract any and all borrowings other than by issuing bonds, grant liens on securities and real property, including in the form of mortgages and pledges, release any and all mortgages and pledges, issue all other forms of guarantees and endorsements, purchase and sell any and all assets, securities rights and real property rights, create any and all establishments and companies, acquire interests in any and all companies or ventures, make any and all asset contributions, purchase and sell shares in any and all companies, carry out any and all administrative formalities and sign any and all deeds of settlement that may be necessary or useful in connection with the Company's business and development, except for those actions that may only be dealt with by the shareholders in General Meeting. The above list is indicative and not exhaustive.*

*The Managing Partner or each of the Managing Partners may, under his or her responsibility, appoint authorized signatories and representatives for one or several categories of transactions or for one or several specified purposes.*

*The Managing Partners appoint and dismiss any managers, engineers, representatives, employees or agents, determine their responsibilities, their salary and fixed or proportional benefits, the other terms of their employment and their retirement benefit entitlements.*

*To comply with the legal requirement to set a statutory age limit for serving as Managing Partner, Managing Partners will automatically stand down at the close of the Annual Shareholders Meeting held in the year of their 72nd birthday even if their term has a further period to run. However, their period in office may be extended one or several times, for an aggregate three years maximum from the date of the above Annual Shareholders Meeting. Any such extension will be decided in accordance with the provisions of this Article applicable to the re-election of Managing Partners."*

**NEW WORDING:**

*"Article 10-2 – Managing Chairman*

*The sole Managing Partner (who may be a General Partner or a Non-General Partner), or the Managing General Partner appointed without any term restrictions except for the statutory age limit if there are several Managing General Partners, or the Managing General Partner if there is a Managing General Partner and one or more Non-Managing General Partners, will serve as Managing Chairman.*

*If several Managing General Partners have been elected for a fixed term, the Non-Managing General Partner appoints the Managing Chairman from among these partners after consulting the Supervisory Board, even if one or more Non-General Managing Partners are in office.*

*If all the Managing Partners are Non-General Partners, the Non-Managing General Partner appoints the Managing Chairman from among these partners after consulting the Supervisory Board.*

*Article 10-3 – Managing Partners' powers and obligations*

*If there is only one Managing Partner, all references in the bylaws to the Managing Partners apply to the single Managing Partner.*

Each Managing Partner has the authority to enter into commitments with third parties in the Company's name, except in relation to bond issues and subject to the provisions set out below being applied.

The Managing Chairman defines the areas of responsibility for each Managing Partner and determines the scope of their authority. He or she also sets their annual objectives and informs the Supervisory Board thereof.

The Managing Chairman leads and guides the Managing Partners while retaining final power of decision.

The Managing Chairman and the other Managing Partners are jointly responsible for regularly reporting to the Supervisory Board on the Company's situation and on the key issues listed in the Supervisory Board's internal rules.

The Managing Chairman and the other Managing Partners provide the Non-Managing General Partner with the necessary information about the Company to allow the Non-Managing General Partner to fulfill the role prescribed by law and the Company's bylaws.

If a situation arises where all the Managing Partners are Non-General Managing Partners, they will report to the Non-Managing General Partner for their management of the Company and for all matters that are the responsibility of the General Partners pending the election of one or more new Managing General Partners according to the process described in Article 10-1 of these bylaws.

The Managing Partner or each of the Managing Partners may, under his or her responsibility, appoint authorized signatories and representatives for one or several categories of transactions or for one or several specified purposes."

- To amend the first paragraph of Article 16, by replacing the words "The Supervisory Board meets as frequently as it considers necessary. Meetings are called by the Chairman of the Supervisory Board or by the Managing Partners." with the words "The Supervisory Board meets as frequently as it considers necessary. Meetings are called by the Chairman of the Supervisory Board or the Managing Chairman."
- To amend the first paragraph of Article 22 of the bylaws as follows:

**OLD WORDING:**

"Shareholders Meetings are chaired by one of the Managing Partners or, at the request of the Managing Partners or if no Managing Partner is present, by the Chairman of the Supervisory Board. If none of the Managing Partners are present and the Chairman of the Supervisory Board is also absent, the Meeting elects its own Chairman."

**NEW WORDING:**

"Shareholders Meetings are chaired by the Managing Chairman or (i) at his or her request or in his or her absence, by another Managing General Partner or (ii) if no Managing General Partner is present, by a Non-General Managing Partner, or (iii) if no Managing Partner is present, by the Chairman of the Supervisory Board. If none of the Managing Partners are present and the Chairman of the Supervisory Board is also absent, the Meeting elects its own Chairman. "

- To amend the second paragraph of Article 27 of the bylaws by replacing the words "the majority of the General Partners" with the words "the Non-Managing General Partner."

**Tenth resolution (Supervisory Board powers)**

Having considered the reports of the Managing Partners and the Supervisory Board and noted the approval of each of the General Partners, the Extraordinary Shareholders Meeting resolves, subject to the sixth, eighth and ninth resolutions of this Meeting being adopted:

- That the Supervisory Board, as part of its oversight role, will have the power to assess the quality of the Managing Partners' management.
- That, going forward, the Supervisory Board will be called upon to express an opinion on the allocation between the Managing and Non-Managing General Partners of the statutory share of profit attributable to them pursuant to Article 30 of the bylaws.
- That the Supervisory Board will have the powers related to the election of Managing Partners and their compensation resulting from the provisions introduced in the amended Articles 10, 12 and 13 of the bylaws.
- To amend Article 27 of the bylaws as follows:

**OLD WORDING:**

"Article 17

The Supervisory Board exercises permanent oversight of the Company's management and has the same powers as the Statutory Auditors for this purpose.

It presents a report to the Annual Shareholders Meeting in which it describes any irregularities or inaccuracies identified in the annual accounts. It receives copies of all documents provided to the Statutory Auditors by the Managing Partners. It is consulted by the General Partner(s) about any proposals for the election or removal from office of any Managing Partner, the compensation to be paid to the Non-General Managing Partner(s) and the granting of stock options to Managing Partners. It may call Shareholders Meetings. The Supervisory Board is also responsible for authorizing agreements governed by Articles L.225-38 et seq. and L.226-10 of the French Commercial Code."

**NEW WORDING:**

"Article 17

The Supervisory Board exercises permanent oversight of the Company's management. As part of this oversight role, it assesses the quality of the Managing Partners' management of the Company.

The Supervisory Board's agreement must be obtained, according to the process described in Articles 10 and 13 of these bylaws, to proposals by the Non-Managing General Partner related to (i) the re-election or removal from office of Managing General Partners or Non-General Managing Partners, and (ii) the payment of compensation to a Managing General Partner or Non-General Managing Partner who is removed from office following a change of strategy or a change of control of the Company, for reasons other than gross misconduct.

The Supervisory Board is consulted by the General Partners or the Non-Managing General Partner, as applicable, on the matters listed below and expresses an opinion thereon which is read out at the next Shareholders Meeting:

- Proposals for the election of new Managing Partners.
- Decisions concerning the appointment of the Managing Chairman, to be made according to the process described in Article 10-2 of these bylaws.

- *Determination of the total compensation of the Non-General Managing Partners.*
- *The allocation between the Managing and Non-Managing General Partners of the statutory share of profit attributable to them pursuant to Article 30 of these bylaws.*
- *The granting of stock options to the Managing General Partners or Non-General Managing Partners.*  
*The Managing Chairman and the other Managing Partners report regularly to the Supervisory Board on the Company's situation and on the key issues listed in the Supervisory Board's internal rules.*  
*The Supervisory Board reports to the Shareholders Meeting on the fulfillment of its duties.*  
*It may call Shareholders Meetings.*  
*The Supervisory Board is also responsible for authorizing agreements governed by Articles L.225-38 et seq. and L.226-10 of the French Commercial Code."*
- To add the words "after consulting the Supervisory Board" at the end of the first paragraph of Article 12 of the bylaws.

#### **Eleventh resolution** (*Election of a Managing General Partner*)

Having considered the reports of the Managing Partners and the Supervisory Board, the Extraordinary Shareholders Meeting resolves, subject to the sixth, eighth, ninth and tenth resolutions of this Meeting being adopted:

- On the unanimous proposal of the General Partners, to elect Jean-Dominique Senard as Managing General Partner of the Company for a four-year term expiring at the close of the Shareholders Meeting to be called in 2015 to approve the 2014 financial statements.
- To amend the second paragraph of Article 1 of the bylaws to read as follows: "*Michel Rollier and Jean-Dominique Senard, Managing Partners.*"

## **12th et 13th résolutions**

### **Alignment of the bylaws with new regulatory provisions**

The twelfth and thirteenth resolutions are needed to align the bylaws with:

- The regulatory provisions resulting from the incorporation of Decree 67-236 of March 23, 1967 into the Commercial Code.
- The legal and regulatory provisions resulting from government order 2010-1511 of December 9, 2010 transposing into French law European Directive 2007/36/EC of July 11, 2007 concerning the exercise of certain rights by shareholders of listed companies, and (ii) Decrees 2010-684 of June 23, 2010 and 2010-619 of December 23, 2010 on the rights of shareholders of listed companies.

### **Resolutions:**

**Twelfth resolution** (*Alignment of the bylaws with the regulatory provisions arising from the incorporation of Decree 67-236 of March 23, 1967 into the French Commercial Code*)

Having considered the reports of the Managing Partners and the Supervisory Board and noted the approval of each of the General Partners, the Extraordinary Shareholders Meeting resolves:

- To align the bylaws with the regulatory provisions arising from the incorporation of Decree 67-236 of March 23, 1967 into the French Commercial Code.
- To amend the relevant articles of the bylaws as follows:
  - In the third paragraph of Article 6 of the bylaws, replacement of the words "*application of Articles L.228-27 et seq. of the Commercial Code and Articles 208 et seq. of the Decree of March 23, 1967*" with the words "*application of Articles L.228-27 et seq. and R.228-24 et seq. of the Commercial Code.*"
  - In the third paragraph of Article 33 of the bylaws, replacement of the words "*by Article 197 of the Decree of March 23, 1967*" with the words "*by Article R.225-166 of the Commercial Code.*"

**Thirteenth resolution** (*Alignment of the bylaws with the new rules governing the exercise of certain rights by shareholders of listed companies*)

Having considered the reports of the Managing Partners and the Supervisory Board and noted the approval of each of the General Partners, the Extraordinary Shareholders Meeting resolves:

- To align the provisions of the bylaws concerning the calling of Shareholders Meetings, proxy information, electronic voting and voting by proxy, with the legal and regulatory provisions resulting from (i) government order 2010-1511 of December 9, 2010 transposing into French law European Directive 2007/36/EC of July 11, 2007 concerning the exercise of certain rights by shareholders of listed companies, and (ii) Decrees 2010-684 of June 23, 2010 and 2010-619 of December 23, 2010 on the rights of shareholders of listed companies.
- To amend the sixth paragraph of Article 22 of the bylaws as follows:

#### **OLD WORDING**

*"Shareholders may, on the basis prescribed by the relevant laws and regulations, give proxy to another eligible shareholder or to their spouse to represent them at a Shareholders Meeting, or cast a postal vote, by sending in the form of proxy/postal voting form prior to the Meeting by post or by any electronic telecommunication method."*

#### **NEW WORDING**

*"Shareholders may vote by correspondence or by proxy on the basis prescribed by the relevant laws and regulations, by returning by post or by any electronic communication method the form of proxy/distance voting form sent by the Company by post or by any electronic communication method."*

*If so decided by the Managing Partners and announced in the advance notice of meeting published in the Bulletin des Annonces Légales Obligatoires (B.A.L.O.), shareholders may also participate by voting online prior to the Meeting, on the basis prescribed by the regulations applicable at the time of voting and according to the stipulations of said decision related, in particular, to the timing of the vote.*

*Shareholders who vote online using the electronic form of proxy/voting form made available on the online voting website will be considered as participating in the Meeting in the same way as shareholders present or represented by proxy.*

*The electronic form may be filled in and signed directly on this site by any process referred to in the Managing Partners' decision that complies with the stipulations of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, for example through the use of a user name and password.*

*The electronic proxy or vote and the acknowledgement of receipt thereof represent written evidence enforceable against all claims from third parties and may be cancelled only in accordance with the applicable laws and regulations. If any shares are sold before midnight Paris time on the fourth business day preceding the Meeting, the corresponding electronic proxy or vote will be cancelled or modified accordingly by the Company."*

## 14th resolution

### Authorization for the Managing Partners to reduce the Company's capital by canceling shares

The fourteenth resolution authorizes the Managing Partners to reduce the Company's capital by canceling shares purchased under a shareholder-approved buyback program. This authorization is being sought for a period of 18 months and would supersede the current authorization given at the Annual Shareholders Meeting of May 7, 2010 which has not been used.

#### Resolution:

#### **Fourteenth resolution** (Authorization for the Managing Partners to reduce the Company's capital by canceling shares)

Having considered the report of the Managing Partners, the Statutory Auditors' special report and the Supervisory Board's report, and noted the approval of each of the General Partners, the Extraordinary Shareholders Meeting resolves:

- To authorize the Managing Partners or any one of them to:
  - Cancel, at their 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 cancelled does not exceed 10% of the total shares outstanding.
  - Charge the difference between the cost of the cancelled shares and their par value against any available premium or reserve account.
- To grant the Managing Partners, or any one of them, full powers – which may be delegated in accordance with the law – to (i) carry out the capital reduction(s) following the cancellation(s) of shares 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 eighteen months from the date of this Meeting and supersedes any authorization previously granted for the same purpose.

## 15th resolution

### 38-month authorization for the Managing Partners to grant performance shares to employees of the Company and other Group entities

The fifteenth resolution concerns an authorization to grant performance shares to employees of the Company and of its French and foreign subsidiaries (other than the Managing Partners). The list of grantees would be drawn up by the Managing Partners, who would also decide the number of shares granted to each grantee and any grant criteria, based on the recommendation of the Compensation Committee of the Supervisory Board.

It would be up to the Managing Partners to set the vesting period, which would be at least three years, and the lock-up period, which would be at least two years unless the vesting period was four years or more in which case no lock-up would apply.

The shares would also be subject to the following performance conditions:

- 3% average annual growth in the Group's unit sales (on a consolidated, like-for-like basis) over the three-year vesting period.
- Average annual operating income of €1.4 billion (before non-recurring items, on a consolidated, like-for-like basis) over the three-year vesting period.

For any performance share grants decided:

- In 2011, the above performance criteria will apply to the years 2011, 2012 and 2013
- In 2012, the above performance criteria will apply to the years 2012, 2013 and 2014
- In 2013, the above performance criteria will apply to the years 2013, 2014 and 2015
- In 2014, the above performance criteria will apply to the years 2014, 2015 and 2016

Provided that the grantees are still on the Group's payroll, except where the performance shares have vested early in the circumstances defined by law or by decision of the Managing Partners:

- Half of 75% of the shares granted to senior executives will vest when each of the above performance criteria is met.
- Between 25% and 75% of shares granted to other grantees will vest when each of the above performance criteria is met, with the proportion increasing in line with the grantee's level of responsibility.

The number of shares granted under this authorization would not exceed 0.5% of the Company's capital on the day of the decision. This authorization would supersede the current authorization given at the Annual Shareholders Meeting of May 16, 2008 which has not been used.

**Resolution:****Fifteenth resolution** (38-month authorization for the Managing Partners to grant performance shares to employees of the Company and other Group entities)

Having considered the report of the Managing Partners, the Supervisory Board's report and the Statutory Auditors' special report, and noted the approval of each of the General Partners, the Extraordinary Shareholders Meeting resolves:

- To authorize the Managing Partners or any one of them, in accordance with Articles L.225-197-1 et seq. of the French Commercial Code, to grant new or existing 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 Managing Partners, on the basis defined below.
- That existing or new shares granted pursuant to this authorization may not represent more than an aggregate 0.5% of issued capital on the grant date.
- That the Managing Partners or any one of them shall draw up the list of grantees, the number of shares granted and the grant criteria, which will concern in variable proportions (i) the grantee's level of responsibility within the organization and (ii) internal performance criteria determined with the Supervisory Board's agreement.
- That the performance shares will vest:
  - After a vesting period of at least three years, that will be followed by a lock-up period of at least two years; or
  - For all or some of the performance shares, after a vesting period of at least four years without any subsequent lock-up period.

The Managing Partners may select one or other of these two options, at their discretion, and use them alternatively or concurrently. They may extend the vesting period in either case, extend the lock-up period in the first case, and introduce a lock-up period in the second case.

- That the performance shares will vest before the end of the above vesting period and that all restrictions on their sale will be lifted in the event that the grantee becomes a victim of 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 will be paid up by capitalizing reserves, profit or additional paid-in capital, and that existing shareholders will waive their pre-emptive right to subscribe for said new shares.
- That the Managing Partners or any one of them 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, indicating that they are subject to sale restrictions if applicable and the duration of said restrictions, and lift the restrictions in any of the circumstances where this is allowed under this resolution or the applicable regulations.
  - Provide for the possibility to adjust the number of performance shares during the vesting period to protect the rights of grantees following any corporate actions 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 thirty-eight months from the date of this Meeting and supersedes any authorization previously granted for the same purpose.

**16th resolution****Powers to carry out formalities**

The sixteenth resolution gives powers to carry out the formalities related to the Shareholders Meeting.

**Resolution:****Sixteenth 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.

## 10.2\_ REPORT OF THE SUPERVISORY BOARD

To the shareholders,

The Managing Partners' Report and the accounting and financial information communicated to you present the Group's operations and results for 2010.

We have no comments on the Statutory Auditors' report on the financial statements.

In 2010, at a time of rebounding demand in the tire markets, Michelin's business performance was shaped by strong volume growth led by the Group's global presence, a responsive pricing policy in the face of rising raw materials costs, further manufacturing productivity gains and historically high margins.

Consolidated net sales rose 20.8% to €17.9 billion, while operating income stood at €1,695 million for the year, or 9.5% of net sales, up 3.7 points on 2009.

Free cash flow was a positive €426 million.

Lastly, with gearing of 20% at end-December, Michelin enjoys a robust financial structure capable of supporting its growth ambitions.

Based on these results, the Supervisory Board approves the Managing Partners' recommendation to set the dividend at €1.78 per share.

We have been regularly informed by your General Partners of the measures they intend to submit to you to ensure the seamless transition in the Company's management as Michel Rollier prepares to retire, and which would result in you electing Jean-Dominique Senard as a new Managing General Partner. We have come to appreciate Mr. Senard's qualities, first as Chief Financial Officer and then as Non-General Managing Partner. He was selected with the Board's favorable opinion, after a long and thoughtful discussion between the Board and the General Partners.

As part of this process, the Group's governance system was reviewed and recommendations for certain changes have been submitted to your approval in three areas:

- First, new Managing Partners, both General and Non-General, will now be elected for terms of up to four years. They will be designated by the only Non-Managing General Partner after consulting with the Supervisory Board and elected by shareholders in General Meeting.

Their re-election or, if need be, their removal from office would be decided jointly by the Non-Managing General Partner and our Board.

As Managing General Partner of the Company, Mr. Senard would also be appointed co-Managing Partner of Manufacture Française des Pneumatiques Michelin (MFPM), which manages the Group and provides support services for its various units.

As consideration for the functions and responsibilities exercised at MFPM, Mr. Senard will receive an annual salary determined by the company at the beginning of his term. This salary will be taken into account in allocating the share of net income distributed among all the General Partners, both Managing and Non-Managing, in accordance with the provisions of the bylaws. Note that this allocation will now be determined after the Supervisory Board issues an opinion.

- Next, each Managing Partner of the Company, both General and Non-General, currently have the same powers, which is no longer realistic given the size and therefore the complexity of the Group, and which could be a source of difficulties. We are therefore recommending that, from among the Managing Partners and after our Board has issued an opinion, a Managing Chairman be appointed, who logically should be a General Partner. The Chairman would be tasked in particular with defining the roles assigned to each of the other Managing Partners and to lead and guide their actions, while the Managing Partners would be expected to keep our Board regularly informed of the Group's situation and, from time to time, to consult us concerning significant projects for the Company.

- Lastly, the Supervisory Board's role in gauging the quality of the partnership's management, which has grown in importance in recent years, would be formally recognized in the bylaws.

The Board agrees with these various recommended changes in the Company's governance and we therefore invite you to vote in favor of the corresponding resolutions.

In addition, the Company wishes to renew its share buyback program based on a maximum purchase price of €100 per share, identical to the price set under the current authorization. An authorization to cancel shares bought back under the program is also being sought.

The Company also wants to bring the bylaws into compliance with certain legal and regulatory provisions, primarily those resulting from the recent transposing into French law of European Directive 2007/36/EC of July 11, 2007 on the exercise of certain rights of shareholders in listed companies.

Lastly, you will be asked to renew, on similar terms, the authorizations given to the Managing Partners by the Annual Shareholders Meeting of May 16, 2008 to grant performance shares to Michelin employees, except the Managing Partners, but with new performance criteria.

We therefore recommend that you adopt the proposals submitted for your approval by voting in favor of the corresponding resolutions.

February 7, 2011

ERIC BOURDAIS DE CHARBONNIÈRE  
Chairman of the Supervisory Board