

COMPAGNIE GENERALE DES ETABLISSEMENTS  
MICHELIN

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BYLAWS

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*Société en commandite par actions* (Company Limited by shares) with a share capital of  
360,132,242 Euros  
Registered office: 12, cours Sablon, CLERMONT-FERRAND (Puy-de-Dôme)  
855 200 887 R.C.S. Clermont-Ferrand  
SIRET No.: 855 200 887 00021 – APE: 7010Z

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Updated on 17 January 2017

## TITLE ONE

### 1. CORPORATE PURPOSE - CORPORATE NAME- TERM - REGISTERED OFFICE

#### Article 1

A company limited by shares ("*société en commandite par actions*") shall exist between the General Partner(s) ("*associé(s) commandité(s)*") and the other owners of shares who are Shareholders ("*associés commanditaires*" - Limited Partners ).

Mr. Jean-Dominique SENARD, Managing General Partner.

SOCIETE AUXILIAIRE DE GESTION "SAGES", a simplified joint stock company ("*société par actions simplifiée*") ("SAS"), with a capital of forty thousand Euros having its registered offices in Clermont-Ferrand (Puy-de-Dôme, France),

Shall be General Partners, fully and jointly liable.

The Company governed by these Bylaws was established in 1863 by BARBIER, DAUBREE et Cie, and has had the following corporate names: E. DAUBREE et Cie - J.-G. BIDEAU et Cie - MICHELIN et Cie - PUISEUX, BOULANGER et Cie - Robert PUISEUX et Cie - MICHELIN et Cie.

#### Article 2

The corporate purpose of the Company consists in:

- All operations and activities directly or indirectly associated with the production, manufacture and sale of rubber, at all stages of manufacture, in all forms and for all uses;
- All industrial, commercial and financial operations regarding in particular:
  - tires, tire components, tire accessories and manufactured rubber in general,
  - mechanical engineering in all its applications, and in particular motor vehicles and industrial vehicles, components, spare parts and accessories
  - the manufacture, sale and use of natural or synthetic chemicals and of their derivatives, in particular the various sorts of elastomers, plastics, fibers and resins, and generally all activities and products of the chemical industry, in particular those relating to the products and operations described above;

- the filing, acquisition, use, transfer or sale of any intangible property rights, and in particular patents and related rights, trade marks, manufacturing processes relating to the corporate purpose;
- to be carried out directly, as well as through equity interests, creation of new companies, joint venture companies (“*sociétés en participation*”), Economic Interest Groups (“*Groupements d’intérêt économique*”(“GIE”)), contributions, partnerships (“*commandites*”), subscription, purchase or exchange of securities, or interests, in all businesses having activities related to the aforementioned purposes, or by way of merger or otherwise ;
- and generally all commercial, industrial, real estate, moveable property, and financial operations related directly or indirectly, in whole or in part, to any of the purposes specified above, or to any similar or related purposes.

### **Article 3**

The corporate name of the Company is:

**“COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN”**

All deeds and documents issued by the Company and intended for third parties must include this name.

### **Article 4**

The term of the Company shall expire on December 31, 2050, except in the event of early dissolution or of extension provided by the Law and these Bylaws.

### **Article 5**

The Company’s registered office shall be located at 12 cours Sablon in Clermont-Ferrand in the department of the Puy-de-Dôme.

## TITLE TWO

### SHARE CAPITAL - SHARES

#### Article 6

The Company's share capital is three hundred and sixty million, one hundred and thirty-two thousand, two hundred and forty-two (360,132,242) Euros, divided into one hundred and eighty million, sixty-six thousand, one hundred and twenty-one (180,066,121) shares having a par value of two (2) Euros each, fully paid up.

In the event of a capital increase by subscription in cash, if the shares are not fully paid upon subscription, the owners of these shares shall pay the balance of the subscription price, in whole or in part, upon request of the Managers given with two months' advance notice.

In the absence of a payment by the Shareholder on the dates set by the Manager(s), the provisions of Articles L.228-27 and subsequent articles of the French Commercial Code and Articles R-228-24 and subsequent articles of the Commercial Code shall apply.

In the event of the dissolution of the Company before all the shares are fully paid up, the holders of shares in respect of which a payment due has not been fully made shall not be entitled to participate in any distribution of assets until the unpaid balance due in respect of their shares has been paid to the Company.

#### Article 7

The shares are registered and entered in the Company accounts; the same provisions shall apply to bonds issued by the Company in registered form or converted into this form. When bonds are in bearer form, the accounts are kept by an authorized intermediary.

Each share of the Company is indivisible *vis-à-vis* the Company.

Co-owners of undivided interests in shares must be represented before the Company and in Shareholders Meetings by one of the co-owners, by his/her spouse or by a single Shareholder proxy.

In the event of a disagreement among co-owners of undivided interests in shares, the proxy chosen from among the Shareholders is appointed by the President of the Commercial Court (*Tribunal de Commerce*) ruling in a summary procedure at the request of the most diligent co-owner.

Voting rights shall be exercised by the owner of the shares which are pledged, by the beneficial owner (“*usufruitier*”) in Ordinary Shareholders Meetings, and by the record owner (“*nu propriétaire*”) in Extraordinary Shareholders Meetings.

### **Article 8**

The Extraordinary Shareholders Meeting has sole authority to decide upon the increase or the reduction of the share capital; it so decides under the conditions provided by the Law and these Bylaws.

### **Article 9**

Share transfers are effected by account transfers; if the shares are not fully paid up, a commitment by the transferee or his authorized representative is needed. Only shares in respect of which payments due have been made are eligible for account transfers.

Whenever it is necessary to hold several shares to exercise any right, particularly in the event of exchange or allotment of securities in connection with a transaction such as: an increase or reduction in share capital, an increase or decrease of the par value of the shares, or a merger giving the right to a new share in proportion to several existing shares, it will be the responsibility of the Shareholders to gather the required number of existing shares by transferring or acquiring such shares as may be necessary.

## TITLE THREE

### ADMINISTRATION OF THE COMPANY – MANAGEMENT

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#### Article 10

##### 10.1 Appointment, duration and renewal of the Office of the Managers

The Company is managed by one or more Managers, who may be Managing General Partner or General Manager.

The Managers must be individuals, subject to the provisions of Article 13 hereinafter.

The Managing General Partner(s) and the General Manager(s) are respectively appointed by the Extraordinary Shareholders Meeting or the Ordinary Shareholders Meeting upon the proposal of the Non-Managing General Partner.

The proposal to appoint one or more Managers, whether General Partner(s) or General Manager(s), shall require the prior consultation of the Supervisory Board by the Non-Managing General Partner. The resolutions relating to these appointments shall previously be submitted by the Managing Chairman or, failing to do so, by any other Manager at the next Ordinary or Extraordinary Shareholders Meeting.

Managing General Partners or General Managers shall be appointed for a maximum fixed term period of four (4) years, terminating upon completion of the Ordinary Shareholders Meeting called to vote upon the financial statements for the past financial year and held within the year during which the Managers' office expires.

The office of any Managing General Partners or General Managers is renewable one or several times upon the decision of the Non-Managing General Partner subject to the consent of the Supervisory Board, by exception to the provision of Articles 25 and 26 of the Bylaws. For this purpose, the Non-Managing General Partner shall submit its proposal to the Supervisory Board at least four months prior to the date of the Shareholders Meeting mentioned in paragraph 5 here above. The Supervisory Board shall take its decision at least three months prior to the date of the said Shareholders Meeting.

Should there be no consent of the Supervisory Board within that period, the Non-Managing General Partner shall be free to submit a resolution relating to the appointment of one or several new Managing General Partners or General Managers in the agenda of the next Ordinary or Extraordinary Shareholders Meeting to the Managing Chairman or to any other Manager, who shall be committed to include the proposed resolution in such agenda.

In order to comply with the legal requirements on the setting of an age limit for the Managers, the functions of each Manager shall terminate, whatever the term of his or her appointment, at the end of the Ordinary Shareholders Meeting called to vote upon the financial statements for the financial year during which such Manager has reached the age of seventy-two. However, his or her office may be extended, one or more times, for a maximum total period of three years from the date of the aforementioned Ordinary Shareholders Meeting; any decision of extension shall be taken according to the conditions of renewal of appointment as Manager provided in this Article.

## **10.2 The Managing Chairmanship**

The Managing Chairmanship of the Company shall be granted:

- to the sole Managing Partner in office whether he is a General Partner or a General Manager,
- to the Managing General Partner should there be a Managing General Partner and one or several General Managers.

If there are several Managing General Partners, with or without other General Managers, the Non-Managing General Partner, subject to the prior consultation of the Supervisory Board, appoints the Managing Chairman among the Managing General Partners.

If there are only General Managers in office, the Non-Managing General Partner, subject to the prior consultation of the Supervisory Board, appoints the Managing Chairman among the General Managers.

## **10.3 Powers and duties of the Managers**

Should there be only one Manager in office, all provisions hereof relating to the Managers shall apply to the sole Manager.

Each Manager has the power to commit the Company towards third parties subject to the exception of bonded debt and subject to the provisions hereunder.

The Managing Chairman defines the scope of each Manager's area of intervention and determines the limits of their powers. He or she defines their annual targets and keeps the Supervisory Board informed of these targets.

The Managing Chairman leads and guides the business activities of the Managers and holds the ultimate power to decide.

The Managing Chairman and the other Managers shall jointly and regularly keep informed the Supervisory Board of the situation of the Company as well as of the significant subject matters, the list of which is stated in the Internal Rules of the Supervisory Board.

The Managing Chairman and the other Managers shall keep informed the Non-Managing General Partner on the Company so that he may assume its duties and responsibilities as stated in the law and the Bylaws.

Should the Management of the Company be carried out only by General Managers, such

General Managers shall report on the discharge of their duties to the Non-Managing General Partner in view of the liability of the latter, until the appointment of one or more new Managing General Partners in accordance with Article 10.1 here above.

The Managers or each of the Managers may, under their own responsibility, appoint an authorized representative for one or several categories of transactions or for one or several specified purposes.

### **Article 11**

Each Managing General Partner must hold, as a guarantee of his management, at least 5,000 shares of the Company; when the office of a Managing General Partner terminates, the shares held as a guarantee shall not be sold by the said Managing General Partner or his or her heirs and assignees until the approval of the financial statements of the Company relating to the financial year during which his or her office terminated.

### **Article 12**

In consideration of their duties, the Managing General Partner(s) shall be entitled to a compensation appropriated from the portion of the profits awarded globally to all General Partners, both Managing General Partners and Non-Managing General Partners, pursuant to Articles 30 and 35 hereinafter, up to a percentage that will be set by mutual agreement of the General Partners, whether they be Managing General Partners or Non-Managing General Partners, after consulting the Supervisory Board.

Furthermore, the Managers will be granted by the Company a compensation set each year by unanimous decision of the General Partners, whether they be Managing General Partners or Non-Managing General Partners.

Moreover, the Managing General Partners and the General Manager(s) shall be entitled, upon unanimous proposal of the General Partners, to be granted options to subscribe or to purchase shares of the Company, under option plans implemented by the Company, after prior consultation of the Supervisory Board by the General Partners.

It is understood that the Managers shall be reimbursed for all expenses, travel costs and expenses of any kind, which they shall incur in the interest of the Company.

The reimbursements provided hereinabove shall be accounted for as “general administrative costs”.

### **Article 13**

#### 13.1 Termination of the office of the Managers

The office of any Manager terminates by expiry of the term of office, upon resignation or



dismissal, death, incapacity or by reaching statutory age limit.

The resignation of a Managing General Partner will be acceptable provided that it has been notified by registered letter with recorded delivery addressed to the other Managers and to the Non-Managing General Partner, at least six months prior to the date of the next Annual Shareholders Meeting convened to vote upon the financial statements of the past financial year. The said resignation will become effective upon termination of the said Shareholders Meeting which will be convened to accept this resignation, acting as an Extraordinary Shareholders Meeting.

The resignation of any General Manager is acceptable provided that it has been notified by registered letter with recorded delivery addressed to the other Managers and General Partners at least three months in advance. The resignation will become effective upon expiry of the notice period.

The removal from office of a Managing General Partner or of a General Manager may be decided for cause, by the Non-Managing General Partner with the prior consent of the Supervisory Board. For this purpose, the Non-Managing General Partner will submit its proposal for removal from office to the Supervisory Board which shall decide within two months.

### 13.2 Consequences of termination of a Manager's office

Termination of office of a Managing General Partner for whatever reason shall not result in the Company being wound up.

In the event of termination of office of a Managing General Partner for whatever reason and without prejudice of the provisions of paragraph 2 of Article 13-1 hereof:

- the Managing General Partner or his or her heirs in case of death will lose immediately and automatically the status of General Partner and will only remain ordinary Shareholders,
- Article 1 hereof shall be automatically amended as an exception to Article 26; a deed to this effect shall be prepared and published by the other General Partners.

In the event of termination of office of one of the Managing General Partners or of the General Managers for whatever reason, the Managers still in office will carry out the management of the Company with all powers, rights and duties attached to this office as stated in Articles 10, 11 and 12 here above.

In the event that the office of a Manager is terminated before the end of its term, further to a change in strategy or in equity control of the Company, in absence of any gross misconduct of the said Manager, he or she may be entitled to an indemnity to be decided by the Non-Managing General Partner with the prior agreement of the Supervisory Board; this indemnity will be limited to the gross amount of his or her remuneration received for the last two financial years preceding the year of his or her termination of.

If the management of the Company can no longer be exercised for lack of a Manager, whether Managing General Partner or General Manager, in office, for any reason and in any circumstances, or in the event that management finds it impossible to discharge its functions for

a period longer than 60 consecutive days, this impossibility being acknowledged by a founded decision of the Supervisory Board, the management shall then be carried out by the Non-Managing General Partner, the latter, as part of its mission, shall then call, within a maximum period of one year, a Shareholders Meeting in order to propose the appointment of one or more new Managers, whether Managing General Partners or General Managers.

Until the appointment of the new Manager(s) is effective vis-a-vis third parties, the said Non-Managing General Partner shall have the powers provided in Article 10 hereinabove. After its temporary office has terminated due to this appointment, he shall remain General Partner.

#### **Article 14**

Except in the case provided in Article 13, the Non-Managing General Partners shall not take part in the management of the Company. They shall exercise all the powers attached by law and these Bylaws to their status; in particular, any decision relating to the appointment of the Managers, whether Managing General Partners or General Managers, to the renewal of their appointments, and to the compensation or the removal from office of General Managers and any decision that results in an amendment to the Bylaws may not be validly adopted unless by unanimous written agreement of the General Partners, whether Managing General Partners or Non-Managing General Partners.

Moreover, the Non-Managing General Partners, whether individuals or corporate entities, will be under the obligation to discharge all the functions vested with them by Article 13-1, subparagraph 4, if the management can no longer be exercised for lack of a Manager in office, or in case of impossibility for the Managers to discharge their functions until final appointment, effective vis-a-vis third parties, of new Managers.

In consideration of their unlimited and joint liability, the General Partners, whether Managers or not, shall be entitled to compensation out of the portion of the profits awarded to all General Partners, both Managing General Partners and Non-Managing General Partners, pursuant to Articles 30 and 35 and under the conditions provided in these Articles.

If a Non-Managing General Partner dies or retires, the Company is not dissolved; the General Partner who retires and the heirs of the deceased General Partner shall remain simple Shareholders.

The General Partners, whether Managers or not, will be reimbursed all taxes and duties, other than taxes on income or earnings, relating to the portion of profit granted to them pursuant to this Article.

The reimbursements provided hereinabove shall be accounted as “general administrative costs”.

## TITLE FOUR

### SUPERVISORY BOARD AND STATUTORY AUDITORS

#### Article 15

The Company shall have a Supervisory Board composed of a minimum of three members, and a maximum of ten members, chosen exclusively from among the Non-General Partners.

Those members who, during their office, cease to be Shareholders shall automatically be considered as having resigned.

The members of the Supervisory Board shall be appointed by the Ordinary Shareholders Meeting for a renewable four-year term. However, on the express recommendation of the Supervisory Board, the Ordinary Shareholders Meeting may appoint Supervisory Board members for a term of less than four years. Appointments and re-appointments of Supervisory Board members shall be carried out subject to the provisions of the last three subparagraphs of this article.

The functions of the members of the Supervisory Board shall terminate at the end of the Ordinary Shareholders Meeting having decided upon the financial statements for the last financial year of their term.

The Shareholders who are General Partners shall not, in the Shareholders Meetings, participate in the appointment of the members of the Supervisory Board.

The members of the Supervisory Board may be revoked at any time by the Ordinary Shareholders Meeting.

In the event of a vacancy for any reason whatsoever between two Ordinary Shareholders Meetings, the Supervisory Board may appoint new temporary members; the Board shall do so within fifteen days following the vacancy if the number of members has become less than three. These appointments shall be confirmed by the next Shareholders Meeting. The replacement member shall remain in office only until the end of his predecessor's term. If the Shareholders Meeting does not confirm the appointments, the decisions adopted by the Supervisory Board shall, however, remain valid.

No one older than seventy-five may be appointed member of the Supervisory Board if this appointment increases the percentage of the members over seventy-five, rounded up as described above, to over one third of the total number of the members of the Board serving.

No one older than seventy-five may be appointed member of the Supervisory Board if this appointment increases the percentage of the members over seventy-five, rounded up as described above, to over one third of the total number of the members of the Board serving.

In the event that, for any reason whatsoever, the number of the members of the Board older than seventy-five exceeds the above-mentioned one-third limit of the total number of members in office, the oldest member(s) shall be considered as having resigned at the Ordinary Shareholders Meeting called to approve the financial statements of the financial year during which the proportion of members older than seventy-five has been exceeded, unless if in the meantime the required proportion has been restored.

### **Article 16**

The Supervisory Board shall meet as often as it shall deem it necessary and shall be convened by its Chairman or by the Managing Chairman.

The Board shall appoint from among its Members a Chairman for a term which shall not exceed his term of office as a Member of the Supervisory Board; the Board shall also appoint a Secretary chosen from among its Members or not. In the event of absence of the Chairman, the Board shall appoint one of its Members to chair the meeting.

The actual attendance of at least half of the Members of the Board is required for the decisions to be valid.

Decisions are taken at the majority of the members present; in the event of a tied vote, the Chairman shall have the casting vote. However, if only two Members are present, the decisions must be unanimously taken. No one shall vote with a proxy at the Board meeting.

The decisions of the Board shall be recorded in minutes kept in a special register; they are signed by the Chairman and the Secretary, or by the majority of the Members who are present. Copies or excerpts of these minutes shall be certified by the Manager or by one of the Managers, if there are several Managers, and by one of the Members of the Board.

### **Article 17**

The Supervisory Board exercises the permanent oversight of the Company's management. In this capacity, it appraises the quality of the management of the Company carried out by the Managers.

The consent of the Supervisory Board is required, under the conditions provided by Articles 10 and 13 of the Bylaws, on the proposals of the Non-Managing General Partner relating to (i) the renewal or the removal from office of the Managing General Partners or of the General Managers and (ii) the payment of any indemnity to a Managing General Partner or General Manager in the event of early termination of his or her office further to a change in strategy or in the Company's equity control provided that there is no gross misconduct of the said Manager.

The Supervisory Board is consulted by the General Partners or by the Non-Managing General Partner, as applicable, and shall provide its opinion to be addressed to the next Shareholders Meeting:

- on any proposals relating to the appointment of new Managers,
- on the decisions to appoint the Managing Chairman under the conditions as stated in Article 10-2 here above,
- on the determination of the amount of the compensation to be granted to the General Managers,
- on the allocation of statutory share of profit among the Managing and Non-Managing General Partners, in accordance with Article 30 hereunder,
- on the allocation of stock options of the Company to Managing General Partners or to General Managers.

The Supervisory Board is jointly and regularly kept informed of the situation of the Company as well as of any significant business matters, the list of which is stated by the Internal Rules of the Supervisory Board.

The Supervisory Board reports to the Shareholders Meeting of its duties.

The Supervisory Board may also convene the Shareholders Meeting.

Finally, the Supervisory Board is responsible for authorizing the agreements referred to in Article L. 225-38 and subsequent articles and in Article L. 226-10 of the Commercial Code.

### **Article 18**

The Supervisory Board may be granted fixed annual compensation, the amount of which shall be accounted for as “general administrative costs”, shall be set by the Ordinary Shareholders Meeting and shall remain so set until a new decision of such Meeting.

The Supervisory Board shall determine the allocation of this compensation in such manner as is shall deem appropriate.

### **Article 19**

Any agreement entered into, directly or through another person, between the Company and one of its Managers, one of the Members of the Supervisory Board, one of its Shareholders holding more than 10% of the voting rights or if said Shareholder is a company, the company that controls said Shareholder within the meaning of Article L.233-3 of the Commercial Code, shall be subject to the prior authorization of the Supervisory Board. The same authorization shall be required for all agreements to which one of the above-mentioned persons is directly interested.

The same requirement shall apply to agreements entered into between the Company and another entity if one of the Managers or members of the Supervisory Board of the Company is the owner, general partner, Manager, Director, chief executive, member of the board, or member of the Supervisory Board of such other entity.

The foregoing provisions shall not apply to agreements concerning transactions entered into in the ordinary course of business and under normal conditions.

The person concerned shall inform the Supervisory Board upon being aware of an agreement subject to authorization. Such person cannot vote on the authorization requested.

These agreements are authorized in accordance with the conditions provided by the Law.

## **Article 20**

The Company is audited, in accordance with applicable Law, for the account of the Shareholders by at least two legally qualified Statutory Auditors.

One or several deputy Statutory Auditors, meeting the same requirements, may be appointed by the Ordinary Shareholders Meeting to replace the appointed Statutory Auditors in case of death, disability, or refusal to act of the latter.

The Statutory Auditors shall be appointed, during the term of the Company, by the Ordinary Shareholders Meeting, for a six-year term. Auditors whose term expires may be re-elected.

In the case of negligence or disability, they may be relieved of their functions by the Shareholders Meeting.

The Statutory Auditors' duties are specified by Law. They may act together or separately, but they shall prepare a joint report.

Their compensation shall be set by the Shareholders Meeting at the time of their appointment, in accordance with the regulations in effect.

## **TITLE FIVE**

### **SHAREHOLDERS MEETINGS**

#### **Article 21**

The Shareholders shall meet each year in an Ordinary Shareholders Meeting within six months of the close of the financial year.

The Shareholders may also be convened to Extraordinary Shareholders Meetings or to exceptionally called Ordinary Shareholders Meetings.

The Meetings shall take place at the Company's registered office or in any other location in the department of the Puy-de-Dôme.

The notice of meeting shall specify the day, time and location of the meeting.

Notices of meeting are given in such form and with such advance notice as is prescribed by law.

The Shareholders Meetings shall be convened by the Managers; they may be convened by any other person in accordance with the conditions provided by the Law.

The items of the agenda shall be determined by the person calling the Meeting.

The Meeting shall not deliberate on a matter which has not been included in the agenda.

#### **Article 22**

The Shareholders Meeting shall be chaired by the Managing Chairman or, either on the initiative of, or in his or her absence, by (i) any other Managing General Partner, or (ii) in his or her absence by a General Manager, or (iii) in absence of any Manager by the Chairman of the Supervisory Board. If all the Managers and the Chairman of the Supervisory Board are absent, the Meeting shall appoint its Chairman.

The voting controllers and the secretary shall be appointed in accordance with the legal requirements in effect. The secretary may be a non-shareholder.

The attendance sheet shall be kept, signed and certified in accordance with the conditions provided by the Law.

Except in the cases provided by Law, each member of the Shareholders Meeting shall have the same number of voting rights as the number of shares which such member owns or represents, without limitation.

However, the owners, or their proxies, of fully-paid shares having been registered for at least four years in the name of the same holder shall have two voting rights for each such share, without limitation.

The Shareholders may, subject to the conditions provided by the Law and regulations, vote by mail or by proxy at the Shareholders Meeting.

To do so, they may send by mail or via electronic communication their proxy form and mail voting form which have been already sent by the Company by mail or via electronic communication.

According to the decision of the Managers, which will be included in the release published in the *Bulletin des Annonces Légales Obligatoires* (B.A.L.O.), they may participate to the Shareholders Meeting via the Internet prior to the Meeting, in accordance with the conditions provided by the regulations applicable at the time of voting and by the Manager's decision, particularly concerning the timing.

Those among Shareholders who are using the electronic proxy and voting forms provided on the website made available by the Company are considered as attending or represented Shareholders at the meeting.

The filling and the signature of the electronic form can be directly completed on the website via any process specified in the Manager's decision and in compliance with the first sentence of the second paragraph of the article 1316-4 of the Civil code, consisting in particular in a user name and a 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.

In the event of a capital increase, by capitalization of reserves, profits or share premiums, a double voting right shall be conferred, upon issuance, to the shares in registered form allotted to a Shareholder in respect of existing shares already entitled to such double voting right.

The transfer following inheritance, liquidation of joint ownership between spouses or donation inter vivos for the benefit of their spouse or a relative entitled to inherit, shall not cause the loss of the vested double voting rights and shall not interrupt the time periods provided above.

The double voting right shall automatically lapse in respect of any share transferred for any other reason whatsoever.

The list of the shares eligible for the double voting right is determined by the bureau of the Shareholders Meeting.

If an Extraordinary Shareholders Meeting decides to modify or to eliminate the double voting right so instituted, such decision shall not have to be confirmed by a special Shareholders Meeting of the Shareholders who were entitled to this right.



Only those Shareholders registered as Shareholders in the Company's books three days at least before the date of the Meeting shall be entitled to participate in the Meeting.

### **Article 23**

The resolutions of the Shareholders Meeting shall be recorded in minutes kept in a special register, and signed by the members of the bureau. These minutes shall constitute a true record as if they were signed by the Shareholders attending. Copies or excerpts of the minutes shall be certified by one of the Managers or one of the Members of the Supervisory Board.

### **Article 24**

The Ordinary Shareholders Meeting shall be composed of all the Shareholders, whatever the number of shares they own, provided that all payments due on such shares have been made.

In order to validly proceed, the Meeting must have a quorum of at least five Shareholders present, owning or representing on their behalf and as a proxy at least one-fifth of the shares having voting rights.

If this quorum is not met, a new Meeting shall be convened in the same forms as were required for the first one. At this second Meeting, resolutions may be validly passed irrespective of the number of shares represented.

The resolutions shall be passed at the majority of the voting rights held by Shareholders present or represented.

### **Article 25**

The Ordinary Shareholders Meeting shall hear the reports of the Manager(s) on the operations of the Company for the past financial year and the reports of the Supervisory Board and of the Auditors; it approves the financial statements and, if applicable, it determines the amounts to be distributed; it decides upon the appointment of the General Managers, on the appointment and on the removal from office of the members of the Supervisory Board and of the Auditors and, generally, subject to the provisions of Article 27 herein, upon all matters on the agenda.

### **Article 26**

The Extraordinary Shareholders Meeting has sole authority to appoint General Partners and Managing General Partners and to amend any provisions of the Bylaws.

In the event of a contribution in kind or of the granting of special benefits, the shares of

the contributing party or of the beneficiary shall not be taken into account for the calculation of the majority; furthermore, each Shareholder shall have a number of voting rights equal to the number of shares he/she owns, provided that this number of voting rights shall not exceed ten. A Shareholder's proxy shall exercise the voting rights of his principal under the same conditions and within the same limit.

The Extraordinary Shareholders Meetings may validly deliberate only if the Shareholders present or represented own at least, on first convening, one-quarter, and on second convening, one-fifth, of the shares having voting rights.

If this second quorum is not met, the second Meeting shall be postponed to a date not later than two months from the date on which this second Meeting was convened. Resolutions shall be passed by the majority of two-thirds of the voting rights held by Shareholders present or represented; however, resolutions shall have to be voted unanimously in the event that they would result in an increase of the commitments of each of the Shareholders.

### **Article 27**

Subject to the application of Article L.226-14 of the French Commercial Code, any decision within the authority of the Extraordinary Shareholders Meeting must be approved by all of the General Partners.

Any proposed resolution within the authority of the Ordinary Shareholders Meeting which is not proposed by the Management may be validly adopted by said Ordinary Shareholders Meeting only if it is approved by the Non-Managing General Partner, except for proposed resolutions regarding the approval of the financial statements, the appointment or the removal from office of Members of the Supervisory Board or of the Statutory Auditors as well as the approval of agreements subject to authorization.

### **Article 28**

The Shareholders Meeting duly constituted shall represent all the Shareholders and its resolutions passed in accordance with the Law and the Bylaws shall be binding on all the Shareholders, even those absent, dissenting or incapacitated.

## TITLE SIX

### INVENTORY - APPROPRIATION OF EARNINGS

#### Article 29

The financial year is a twelve-month period starting on January 1 and ending on December 31.

At the end of each financial year, the management shall draw up an inventory, a general operating account, a profit and loss account and a balance sheet which it shall present to the Supervisory Board and provide to the Statutory Auditors under the conditions and within the time limits provided by Law.

#### Article 30

The net proceeds for the financial year, after deduction of the general administrative costs and other expenses of the Company, including all depreciation and reserves deemed necessary, shall constitute the net profits.

A deduction shall be made from the net profits of the financial year, calculated as defined in article L.232-10 of the French Commercial Code, and applied to the legal reserve fund until that fund equals one-tenth of the share capital.

Once this deduction is made, an amount shall be allocated among the General Partners, whether Managers or not, equal to 12% of the net profits for the financial year, as defined in subparagraph 1 above, after deducting from said net profits all sums included therein corresponding to annual profits or reserves distributed by the Manufacture Française des Pneumatiques Michelin and Compagnie Financière Michelin to their Shareholders.

However, these sums shall not exceed 0,6% of the consolidated net income of the financial year, any difference being added back to the profit to be appropriated.

The amount so granted will be allocated among the General Partners, whether Managers or not, in such proportions as the General Partner(s) shall decide.

The balance of the net earnings, increased, as the case may be, by the earnings carried forward, shall constitute the portion allocated to the shares.

From such portion allocated to the shares, the following shall be deducted:

1. - an optional amount to be used, upon the Managers' proposal, to create or increase one or several reserve or contingency funds, on which the General Partners shall no longer have any further right;

2. – the amount to be used to amortize the share capital, pursuant to the decision of the Ordinary Shareholders Meeting.

This amount shall be immediately distributed or kept in a provisional account to be distributed at such time as the Shareholders Meeting shall decide. This account shall bear interest at the rate of 5% per annum.

The capital amortized shall constitute an amortization fund that shall belong to the shares.

The balance of the profit allocated to the shares, after all the above-mentioned deductions, shall be distributed to the Shareholders.

The amounts kept in reserve may subsequently be distributed or capitalized.

In the event of attribution of bonus shares by capitalization of reserves funded out of profits from which the entitlement of the General Partners provided by the third subparagraph of this Article shall not have been deducted, the General Partners shall be allotted a number of new shares equal to  $12/88^{\text{th}}$  of the aggregate par value of the shares distributed to the Shareholders divided by the average market price of the share at the opening price on the monthly settlement market of the Paris Stock Exchange for the forty trading days preceding the date of the decision approving the said capital increase by the Extraordinary Shareholders Meeting or, with the authorization of such Meeting, by the Managers; the excess of the market value defined above over the par value of each share allocated among the General Partners shall be allocated to the share premium account.

### **Article 31**

The dividend allocated to the shares shall be paid according to the decision of the annual Shareholders Meeting.

This Meeting may, in accordance with the applicable legal provisions, offer to each Shareholder, in respect of all or part of this dividend, the choice between a payment in cash and a payment in shares of the Company.

### **Article 32**

Losses, if any, shall be borne by the Shareholders in proportion to the number of shares they own, without the Shareholders being liable beyond the amount of share capital represented by their shares or being under any obligation to return the dividends received.

## **TITLE SEVEN**

### **DISSOLUTION - LIQUIDATION**

#### **Article 33**

If, due to losses recorded in the financial statements, the equity capital of the Company falls below one half of the share capital, the Managers shall, within four months following the approval of the financial statements showing such losses, convene an Extraordinary Shareholders Meeting to decide whether the Company should be dissolved.

If dissolution is not decided, the Company shall, no later than the end of the second financial year following the financial year during which the accounts showing the losses have been approved and subject to the applicable legal provisions, reduce its capital by an amount at least equal to the losses that have not been applied against the reserves, if, within such time period, the equity capital has not been restored to a level at least equal to one half of the share capital.

In both cases, the resolution adopted by the Shareholders Meeting shall be published in accordance with the conditions provided by article R 225-166 of the Commercial code.

Failing a Shareholders Meeting being held as aforesaid, or if such a Meeting was unable to validly proceed for lack of a valid quorum upon last notice, any interested person may request in court that the Company be dissolved. The same shall apply if the provisions of subparagraph 2 above have not been applied.

#### **Article 34**

As stated in Article 13-2, the death of one of the General Partners, whether Manager or not, shall not result in the Company's being wound up.

In the event of the death of one of the General Partners, whether Manager or not, or in the event of dissolution of the Company, no official seals may be affixed, either at the Managers' domicile, or at the registered office of the Company, and no inventories shall be requested, other than those which are to be completed in commercial form, pursuant to the Bylaws.

#### **Article 35**

Upon expiry of the term of the Company, or in the event of an early dissolution, the liquidator(s) shall be appointed in accordance with the quorum and majority requirements applicable to the Ordinary Shareholders Meetings and with the unanimous agreement of the General Partners; their powers and the duration of their term of office shall be determined in the same conditions.

At the time of the dissolution of the Company, the net assets of the Company, after payment of the liabilities, shall be used to reimburse to the Shareholders the capital paid and not amortized.

The excess, subject to such special applications as may have been decided, shall be considered as company profit and shall be divided as follows: 12% for the General Partners, whether Managers or not, and 88% to the Shareholders.

The Shareholders shall be convened at the end of the liquidation to decide upon the final liquidation statement of account, the approval and release (“*quitus*”) of the management of the liquidator and the discharge of his functions and to acknowledge the closing of the liquidation.

Should no Shareholder meeting be so convened, any partner may request in court the appointment of an agent to convene the Shareholders.

### **Article 36**

All disputes which may arise during the term of the Company or during its liquidation, either between the Shareholders, the General Partners, the Managers, the members of the Supervisory Board or the Company, or between the Shareholders and/or the General Partners themselves, will be judged in accordance with the law and will be submitted to the jurisdiction of the competent courts of the location of the registered office of the Company.