



NOTICE OF MEETING **2015**

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

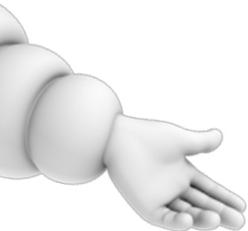
Friday, May 22, 2015, 9 a.m.

At the Polydome, place du 1^{er} mai, Clermont-Ferrand (Puy de Dôme), France



MICHELIN

A better way forward



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Notice of Meeting sent to joint owners of shares

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

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

Dear Michelin Shareholder,

As every year, we are pleased to invite you to the Annual Shareholders Meeting, where you will be asked to vote on both ordinary and extraordinary resolutions.

Among the ordinary resolutions, you will be asked to approve the 2014 financial statements and appropriate net income for the year.

This year, we will be recommending a dividend of €2.50 per share. Unchanged from last year, this amount represents a payout rate of 41% of consolidated net income before non-recurring items, a sign of our confidence in the future.

In the other ordinary resolutions, you will be asked to re-elect Barbara Dalibard to the Supervisory Board and to elect a new member, Aruna Jayanthi, to replace Louis Gallois, who resigned on February 11, 2014 to take up a new position outside the company.

We will also be asking you, as in previous years, to renew the authorization to buy back shares. This authorization would replace that granted for the same purpose by the Annual Shareholders Meeting of May 16, 2014 and utilized during the period to avoid diluting the value of your shareholding, through the cancellation of just over one million shares.

We have also submitted a «say on pay» resolution so that you can express your opinion on the components of the compensation package due or paid to me in respect of 2014 as Chief Executive Officer.

Among the extraordinary resolutions, you will be requested to renew the authorization to reduce the capital by canceling shares and to approve the amendment of the company's bylaws in line with new regulatory provisions.

As always, the Annual Meeting represents an indispensable opportunity for my teams and me to meet with you, exchange views and talk with you in more detail about the life of your company, its strategy, its results and its outlook.

I attach great importance to this dialogue and to your votes, which express your confidence in your company. For this reason, I hope that once again shareholder attendance will be high.

Sincerely yours,



Jean-Dominique Senard
Managing Partner
Chief Executive Officer of the Michelin Group

AGENDA

Shareholders of Compagnie Générale des Etablissements Michelin are hereby informed that the Annual Shareholders Meeting will be held on Friday, May 22, 2015 at 9:00 am at the Polydome, Place du 1^{er} Mai, Clermont-Ferrand (Puy-de-Dôme, France). The agenda of the meeting is as follows:

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

ORDINARY RESOLUTIONS

- Report of the Chairman of the Supervisory Board prepared in accordance with Article L. 226-10-1 of the French Commercial Code.
- Statutory Auditors' Reports on the Company financial statements and the consolidated accounts for the year ended December 31, 2014, the Statutory Auditors' Special Report on the agreements governed by Article L. 226-10 of the French Commercial Code, and the Statutory Auditors' Report on the Company's internal control and risk management procedures.
- Approval of the Company financial statements for the year ended December 31, 2014.
- Appropriation of income for the year ended December 31, 2014 and approval of the recommended dividend.
- Approval of the consolidated financial statements for the year ended December 31, 2014.
- Related party agreements.
- Authorization for the Chief Executive Officer to carry out a share buyback program, except during a public offer period, based on a maximum purchase price per share of €140.
- Advisory vote on the components of the compensation package due or awarded to Jean-Dominique Senard, Chief Executive Officer, in respect of 2014.
- Re-election of a Supervisory Board member.
- Election of a new Supervisory Board member.

EXTRAORDINARY RESOLUTIONS

- Statutory Auditors' special reports.
- Authorization for the Chief Executive Officer to reduce the Company's capital by canceling shares.
- Amendment to the Company's bylaws to change the record date for Annual Shareholders Meetings.
- Powers to carry out formalities.

2014 BUSINESS REVIEW

HIGHLIGHTS

- Volumes up a slight 0.7% even as growth in demand slowed, with an improvement in MICHELIN brand sales that was in line with the markets.
- Operating income before non-recurring items of €2,170 million, up €81 million at constant scope of consolidation and exchange rates, reflecting:
 - A €118 million positive impact from the price-mix/raw materials, as expected.
 - A competitiveness plan that helped to absorb the increase in production and other costs.
- Strong free cash flow generation of €722 million, excluding acquisitions.
- A recommended dividend of €2.50 per share, submitted to shareholder approval at the Annual Meeting on May 22, 2015, unchanged from 2014.

MARKET REVIEW

Passenger car and Light truck tires

2014

% change year-on-year (in number of tires)	Europe*	North America	Asia (excluding India)	South America	Africa/India/ Middle East	Total
Original Equipment	+3%	+5%	+4%	-16%	+2%	+3%
Replacement	+1%	+6%	+4%	+5%	+4%	+4%

Fourth Quarter 2014

% change year-on-year (in number of tires)	Europe*	North America	Asia (excluding India)	South America	Africa/India/ Middle East	Total
Original Equipment	-0%	+4%	-0%	-9%	+12%	+1%
Replacement	-7%	+6%	+3%	+5%	+4%	+1%

* Including Russia and Turkey.

► Original Equipment

- In Europe, the 3% increase in demand reflected the combined effects of 5% growth in Western Europe on the back of a weak market in early 2013, and a 12% decline in Eastern Europe (including a 25% drop in the fourth quarter) in a difficult geopolitical and economic environment.
- In North America, the market remained buoyant, expanding by 5% over the year. Growth was led by robust demand in the vehicle market and by the favourable economic conditions.
- In Asia (excluding India), the market grew by 4% overall. In China, the market continued to grow rapidly, expanding by 9% over the year, although the region's economic climate caused a loss of momentum in the second half. The Japanese market was up 1%, with the pace of growth slowing in the second half in line with the long-term trend, after being stimulated in the early part of the year by buying ahead of the April 1 increase in VAT. The Southeast Asian market continued to decline, contracting by 8% over the year due mainly to the political and economic environment in Thailand.
- In South America, the 16% drop in demand compared with 2013 was due to the economic situation in Brazil and Argentina.

► Replacement

- In Europe, the market expanded by a slight 1% over the year. Demand in Western Europe rose 2%, despite an 8% decline in the fourth quarter that was mainly due to weak demand for winter tires. The winter tire market was stable over the year, with some competitors starting to make deliveries to dealers in June, but with warm weather during the fall causing a sharp drop in demand that left dealers with large inventories of certain brands. In Eastern Europe, the market was hit by the political and economic problems in Russia and ended the year down 3%.
- In North America, the market grew 6%, lifted by higher inventory building in tire imports from China ahead of the introduction of customs duties, as well as by sustained demand for winter tires in Canada and by the vibrant Mexican market.
- In Asia (excluding India), demand rose by 4% overall. A further improvement in mix shaped the markets in China, where demand rose by 8% over the year but growth slowed in the second half in the less buoyant economic environment. The Japanese market grew by 2%, led by demand for winter tires. The Southeast Asian market expanded by 4%, reflecting growth in Indonesia and Vietnam in particular.
- In South America, demand rose 5%, led by Brazil and by the artificial stimulus provided by cut-price deals on unsold tires originally intended for the OE market.

Truck tires

2014

% change year-on-year (in number of new tires)	Europe**	North America	Asia (excluding India)	South America	Africa/India/ Middle East	Total
Original Equipment*	-9%	+16%	+1%	-21%	+3%	-1%
Replacement*	+1%	+8%	+1%	-4%	-1%	+1%

Fourth Quarter 2014

% change year-on-year (in number of new tires)	Europe**	North America	Asia (excluding India)	South America	Africa/India/ Middle East	Total
Original equipment*	-15%	+25%	-4%	-34%	-0%	-4%
Replacement*	-4%	+5%	-2%	-10%	-1%	-2%

* Radial & bias.

** Including Russia and Turkey.

► Original Equipment

- In Europe, the market contracted by a significant 9%. This included a 4% decline in Western Europe, where sales were adversely affected by weaker export demand and the introduction of new Euro VI standards, and a 35% drop in Eastern Europe, in an unfavourable geopolitical and economic environment.
- In North America, the market continued to expand rapidly (up 16%), led by demand from OEMs operating at full capacity and by an especially steep increase in the Class 8 segment.
- In Asia (excluding India), demand for radial and bias tires was up 1%. In China, the 1% increase in the market reflected the net impact of the transport industry's efficiency improvement drive and softer demand in the Coach & Bus segment due to competition from train operators. In Southeast Asia, demand was down 16% due to the economic slowdown and unstable political situation in Thailand. In Japan, the OE tire market grew by a strong 19% over the year, led by vibrant demand in the Construction segment and by a recovery in export volumes.
- In the less buoyant South American economy, demand fell sharply, by 21% over the year and 34% in the fourth quarter alone, after growing strongly in 2013 on brisk demand for heavy-duty trucks in the farming industry.

► Replacement

- In Europe, the replacement market edged up 1% over the year. In Western Europe, 4% market growth was led by the transport segment, inventory building among dealers and a shortage of casings for re-treads. In Eastern Europe, the replacement tire market contracted by 2% over the year, with demand falling more sharply in the fourth quarter; the year also saw a sharp rise in demand for entry-level tires.
- The North American market continued to expand rapidly, growing 8% over the year, with the period-on-period decline in the fourth quarter being due to high prior period comparatives. Macro-economic factors and transport industry trends remained favourable, while the market share of imported tires increased, particularly in Mexico.
- The Asian markets (excluding India) grew a slight 1%. In China, the market was up 1%, despite a slowdown in the freight segment and a stable passenger transport segment. The market gained 6% in Japan, where growth was led by demand for winter tires at the end of the year, after being stimulated in the early part of the year by buying ahead of the April 1 increase in VAT. In Southeast Asia, the market was stable overall despite a steep 18% drop in Thailand.
- The South American market contracted by 4% in a more challenging socio-economic environment. In Brazil, the year-on-year 1% decline was amplified by high prior-year comparatives that were due to the flourishing farming sector in 2013.

Specialty tires

- **Earthmover tires:** the market for mining tires contracted sharply compared with 2013, as mining companies reduced their tire inventories and operations at certain mines were scaled back in response to sharply lower commodity prices.

OE demand rebounded in mature markets, following the previous year's inventory drawdowns by manufacturers.

Demand for tires used in infrastructure and quarries rose in mature markets, thanks in particular to the year-on-year reduction in dealer inventories.

- **Agricultural tires:** global OE demand ended the year down sharply in mature markets, due to the extensive replacement sales of farm machinery in recent years, falling grain prices and the reduction in agricultural tax incentives in the United States. The replacement market in Europe was stable in 2014, although demand declined in the second half. The North American replacement market was significantly lower.
- **Two-wheel tires:** the motorcycle tire market expanded in Europe, helped by last year's good weather, while in North America demand was down year-on-year.
- **Aircraft tires:** demand in the commercial aircraft segment rose compared with the previous year, led by the increase in passenger traffic.

2014 NET SALES AND RESULTS

Net sales

Net sales for 2014 amounted to €19,553 million compared with €20,247 million the previous year. The 2014 figure is stated net of a €304 million negative currency effect and the €75 million negative effect of changes in the scope of consolidation.

Unit sales were up 0.7% in sluggish markets, attesting to a resilient performance by the MICHELIN brand, in line with markets.

Changes in the price mix had a negative impact of €449 million or 2.2%. Price adjustments trimmed €596 million from net sales, of which around 35% concerned the effect of applying indexation clauses

based on raw materials prices. This was partly offset by the €147 million favourable impact of improvements in the product mix, linked notably to the MICHELIN brand's premium strategy in the Passenger car/Light truck segment.

The currency effect was a negative €304 million or 1.5%. The euro/dollar exchange rate was highly unfavourable in the first eight months, although it was positive during the rest of the year. Added to this, the euro's strength against the Brazilian real, the Russian rouble, the Argentine peso, the Canadian dollar and certain other currencies also had a negative impact.

Results

Operating income before non-recurring items amounted to €2,170 million compared with €2,234 million in 2013. Non-recurring items, in the amount of €179 million, consisted mainly of restructuring costs related to the Group's competitiveness improvement projects.

Excluding the €145 million negative currency effect, operating income before non-recurring items reflects the €118 million net positive effect of actively managing the price mix, with the €449 million negative mix effect offset by the €567 million positive effect from lower raw materials costs. It also reflects the modest

increase in unit sales (€51 million positive impact), the benefits of the competitiveness plan (€238 million positive impact), in line with the target for the year, production and other cost inflation (€256 million negative impact), the change in spending on the

new OPE business process management system and the stabilization of start-up costs and costs incurred in new markets.

Net income came in at €1,031 million.

Net financial position

During the year, the Group generated **free cash flow of €722 million**, excluding the Sascar acquisition but after capital expenditure of €1,883 million.

At December 31, 2014, **gearing stood at 7%**, with net debt at €707 million. At the previous year-end, the ratio was 2% and net debt was €142 million.

Segment information

(in € million)	Net sales		Operating income before non-recurring items		Operating margin before non-recurring items	
	2014	2013	2014	2013	2014	2013
Passenger car/ Light truck tires and related distribution	10,498	10,693	1,101	1,086	10.5%	10.2%
Truck tires and related distribution	6,082	6,425	495	503	8.1%	7.8%
Specialty businesses	2,973	3,129	574	645	19.3%	20.6%
GROUP	19,553	20,247	2,170	2,234	11.1%	11.0%

Passenger car/Light truck tires and related distribution

Net sales in the Passenger car/Light truck tires and related distribution segment stood at €10,498 million, including a negative currency effect of 1.3%, compared with €10,693 million in 2013.

Operating income before non-recurring items amounted to €1,101 million or 10.5% of net sales, compared with €1,086 million and 10.2% in 2013.

Excluding the negative currency effect, the year-on-year increase primarily reflects the 2% growth in unit sales, despite the disappointing performance of mid-range

brands, and a positive change in the price mix that was achieved on the back of lower raw materials prices, thanks to the Group's price management strategy. The steady improvement in the mix was supported by the successful strategy in the 17-inches and over segment, and by well-received new products such as the MICHELIN Premier A/S, MICHELIN Alpin 5, MICHELIN Pilot Sport Cup 2 and, at the end of the year, the BFGoodrich KO2.

Truck tires and related distribution

Net sales in the Truck tires and related distribution segment amounted to €6,082 million compared with €6,425 million in 2013. Unfavourable exchange rates had a negative impact of 2.2%.

Operating income before non-recurring items came in at €495 million, representing 8.1% of net sales, compared with €503 million and 7.8% the previous year.

This performance, which was in line with the target of improving profitability, reflected effective price management in a highly competitive environment linked to the decline in raw materials prices. It also reflected a modest 1% increase in unit sales, tight management of production costs and overheads, and the currency effect.

Specialty businesses

Net sales in the Specialty businesses amounted to €2,973 million versus €3,129 million in 2013, after taking into account the negative currency effect (-1.7%) and the decline in unit sales, which was limited to 1% despite tire inventory drawdowns by mining companies and lower demand in the Agricultural tire segment.

Operating income before non-recurring items amounted to €574 million or 19.3% of net sales compared with €645 million or 20.6% in 2013.

The decline was due in part to negative volume and currency effects, and it also reflected price adjustments designed to pass on to customers the benefits of lower raw materials prices through the application of indexation clauses.

COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN

Compagnie Générale des Établissements Michelin ended the year with net income of €555 million, compared with €303 million in 2013.

The financial statements were presented to the Supervisory Board for approval at its meeting of February 5, 2015. An audit was performed and the auditors' report was issued on February 9, 2015.

The Chief Executive Officer will call an Annual Shareholders Meeting on Friday 22 May, 2015 at 9:00 a.m. in Clermont-Ferrand.

The Chief Executive Officer will ask shareholders to approve the payment of a dividend of €2.50 per share, unchanged from the previous year.

OUTLOOK FOR 2015

In 2015, demand in the Passenger car/Light Truck and Truck segments should continue to grow in North America and China, and also in Europe albeit at a modest rate, while holding firm to last year's trend in the new markets and rebounding in Southeast Asia.

Mining tire customers are likely to make further inventory drawdowns and OE sales in the Agricultural tire segment are expected to be lower, while in the Earthmover segment, OE and Infrastructure business should continue to grow at a modest rate.

In this environment, Michelin is aiming to grow unit sales in line with with global trends in the markets in which it operates. In addition, the Group has set a 2015 target of delivering an increase in operating income before non-recurring income, beyond exchange rate effect, a return on capital employed in excess of 11%, and structural free cash flow of approximately €700 million, with €1.7 – 1.8 billion in capital expenditure.

REPORT OF THE CHIEF EXECUTIVE OFFICER AND PROPOSED RESOLUTIONS

Introduction

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

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

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

In response to this request, the Committee of Corporate & Securities Law and Corporate Governance that forms part of France's Employers Federation (MEDEF) coordinated the preparation of a guide concerning "Proposed resolutions submitted to the vote of shareholders of listed companies" (hereinafter referred to as the "MEDEF Guide" or the "Guide"), which is available (in French only) on the MEDEF's website at www.medef.com/medef-corporate/publications. Consequently, for each financial authorization to be submitted for approval at the May 22, 2015 Annual Shareholders Meeting, this report refers to the corresponding information sheet in the Guide.

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

ORDINARY RESOLUTIONS

First and second resolutions

- ▶ **Approval of the Company financial statements for the year ended December 31, 2014**
- ▶ **Appropriation of net income for the year ended December 31, 2014 and approval of the recommended dividend**

The first and second resolutions concern approval of the Company's 2014 financial statements and appropriation of net income for the year.

Shareholders are invited to approve the transactions reflected in the Company's income statement and balance sheet, as presented, and to appropriate net income for the year which amounts to €555,427,932.14.

After deducting €5,000,249.80 attributable to the General Partners in accordance with the bylaws, the balance of €550,427,682.34 plus €60,351,857.68

ORDINARY RESOLUTIONS

in retained earnings brought forward from prior years represents a total of €610,779,540.02 available for distribution to shareholders.

We are recommending paying a 2014 dividend of €2.50 per share.

In order to qualify for the dividend payment, beneficiaries must be shareholders of record at midnight (CET) on May 20, 2015 (the record date).

The ex-dividend date will be May 27, 2015.

The dividend will be paid as from May 28, 2015.

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

**First resolution
(Approval of the Company financial statements for the year ended December 31, 2014)**

Having considered the reports of the Chief Executive Officer, the Statutory Auditors and the Supervisory Board, the Ordinary Shareholders Meeting approves the Company financial statements for the year ended December 31, 2014 which show net income for the period of €555,427,932.14.

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

**Second resolution
(Appropriation of net income for the year ended December 31, 2014 and approval of the recommended dividend)**

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

- Net income for the year €555,427,932.14
- Share of profits attributed to the General Partners in accordance with the bylaws €5,000,249.80
- Balance €550,427,682.34
- Plus retained earnings brought forward from prior years €60,351,857.68

- Total amount available for distribution €610,779,540.02

And resolves:

- to pay an aggregate dividend of €464,315,500.00
- representing €2.50 per share
- to appropriate the balance of €146,464,040.02 to retained earnings

The dividend will be paid as from May 28, 2015.

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

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

- the progressive tax scale applied to personal income tax, after the application of the 40% allowance provided for under Article 158-3-2° of the French General Tax Code (*Code général des impôts*);
- a 21% compulsory withholding tax. This tax, which is withheld at source by the paying agent, corresponds to a prepayment of personal income tax and will be deducted from the shareholders' final income tax payment for the year or refunded in the case of an excess payment. (*However, shareholders filing a single tax return whose personal taxable income for 2013 was less than €50,000 (less than €75,000 for shareholders filing a joint tax return) may apply for an exemption from this withholding tax. In order to make such an application, eligible shareholders should have lodged a declaration of honour with the bank holding their shares, by November 30, 2014, stating that their personal taxable income is below the applicable threshold*);
- the applicable social security and additional contributions withheld at source by the paying agent at a rate of 15.5%, of which 5.1% is deductible for tax purposes.

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

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

Year	Total dividend payout (in €)	Dividend per share* (in €)
2011	378,039,683.70	2.10
2012	438,136,111.20	2.40
2013	464,474,107.50	2.50

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

Third resolution

► Approval of the consolidated financial statements for the year ended December 31, 2014

The purpose of the third resolution is to approve the consolidated financial statements for the year ended December 31, 2014, which show net income for the period of €1,031,090 thousand.

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

Third resolution (Approval of the consolidated financial statements for the year ended December 31, 2014)

Having considered the reports of the Chief Executive Officer, the Statutory Auditors and the Supervisory Board, the Ordinary Shareholders Meeting approves the consolidated financial statements for the year ended December 31, 2014 which show net income for the period of €1,031,090 thousand.

Fourth resolution

► Related-party agreements

As no related-party agreements were entered into during 2014, shareholders are invited to place on record that there are no such agreements to approve.

In addition, no related-party agreements entered into in previous years remained in force during 2014.

Fourth resolution (Related-party agreements)

Having considered the Statutory Auditors' special report on related-party agreements governed by Article L. 226-10 of the French Commercial Code (*Code de commerce*), the Ordinary Shareholders Meeting approves said report and places on record that no such agreements requiring shareholder approval were entered into in 2014.

Fifth resolution

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

In the fifth resolution, shareholders are invited to renew the authorization for the Company to buy back its own shares over a period of 18 months. The maximum purchase price per share under this authorization would be €140 and the maximum number of shares purchased would not exceed 10% of the total shares outstanding at the time of the transaction(s). This authorization would supersede the previous authorization granted for the same purpose at the Annual Shareholders Meeting held on May 16, 2014 and would not be able to be used while a takeover bid is in progress. During 2014, the Company used the previous authorization to buy back and cancel just over one million shares, resulting in a corresponding capital reduction.

ORDINARY RESOLUTIONS

This type of proposed resolution is explained in detail in Information Sheet 4 of the MEDEF Guide («Share buybacks»), on page 42.

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

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

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

The number of shares that may be bought back under this authorization may not represent more than 10% of the total shares outstanding at the time of each transaction 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 €2,600,166,800, corresponding to 18,572,620 shares bought back at the maximum purchase price per share of €140 and representing less than 10% of the Company's share capital at the date of this Meeting.

The objectives of the share buyback program are as follows:

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

The purchase, sale or transfer of shares may be effected at any time, except during a public offer period, and by any method, on the basis and within the limits prescribed by the laws and regulations in force on the transaction date(s), *via* regulated markets, multilateral trading facilities, systematic internalizers or over-the-counter, including through (i) block purchases or sales, (ii) public offers of purchase or exchange, (iii) the use of options or other forward financial instruments traded *via* regulated markets, multilateral trading facilities, systematic internalizers or over-the-counter, or (iv) the allocation of shares

on conversion, redemption, exchange or exercise of securities carrying rights to the Company's shares or by any other means, either directly or via an investment services provider. The entire buyback program may be implemented through a block trade.

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

This authorization shall be valid for a period of 18 months from the date of this Meeting and supersedes the authorization granted for the same purpose in the fifth resolution of the Annual Shareholders Meeting held on May 16, 2014.

Sixth resolution

► Advisory vote on the components of the compensation due or awarded for 2014 to Jean-Dominique Senard, Chief Executive Officer

As prescribed in Article L. 225-37 of the French Commercial Code, the Company bases its corporate governance framework on the Corporate Governance Code for listed companies published by AFEP and MEDEF, as revised on June 16, 2013 (the AFEP/MEDEF Code), and on the Code's implementation guidance, as revised on December 23, 2014.

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

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

Michelin's Supervisory Board and Management have elected to apply this recommendation.

Consequently, on the recommendation of the Supervisory Board and with the approval of the Board and of the Non-Managing General Partner (SAGES), in the sixth resolution the Chief Executive Officer is asking shareholders to give a positive advisory vote on the components of the compensation due or awarded for 2014 to Jean-Dominique Senard, who is the Company's Chief Executive Officer and sole executive officer.

ORDINARY RESOLUTIONS

The compensation components concerned and the related reviews performed by the Compensation and Appointments Committee are presented in the table below (all of the information shown is based on the standard tables provided in the AFEP/MEDEF Code which are set out in section 4.3.1 of the 2014 Registration Document).

Compensation due or awarded for 2014	Amounts (or accounting value) submitted to the shareholder vote (in €)	Presentation
Fixed compensation	1,100,000	<p>This corresponds to the gross annual fixed compensation due by Manufacture Française des Pneumatiques Michelin (MFPM), a controlled entity, as consideration for the duties performed by Mr. Senard in his capacity as Non-General Managing Partner of that company.</p> <p>Its amount was set by MFPM's General Partner on April 29, 2014 based on the recommendation of CGEM's Compensation and Appointments Committee.</p>
Annual variable compensation	750,037	<p>Shared features</p> <p>The annual variable components of Mr. Senard's compensation are paid out of the share of profit allocated to the two General Partners of CGEM – Jean-Dominique Senard and SAGES – that is now split between them on a mutually agreed basis.</p> <p>No new agreement or commitment has been entered into between CGEM and Mr. Senard concerning his compensation.</p> <p>In accordance with article 30, paragraph 3, of the Company's bylaws (as presented in section 5.1.2 e), 12% of profit for the year, net of dividend income corresponding to distributions of profit or reserves by Manufacture Française des Pneumatiques Michelin and Compagnie Financière du groupe Michelin (CFM), is allocated to the General Partners.</p> <p>The allocated share of profit is capped at 0.6% of the Group's consolidated net profit.</p> <p>For 2014, the allocated share of profit was a base amount of €5.0 million, representing 12% of profit for the year net of dividends received in 2014 from CFM.</p> <p>Single-criterion annual variable component</p> <p>This component corresponds to 8% of the allocated share of profit, i.e. €400,020 for 2014, less €50,000 corresponding to the allocated share of profit payable by CFM as compensation for Mr. Senard's role as General Managing Partner of this subsidiary.</p>

Compensation due or awarded for 2014	Amounts (or accounting value) submitted to the shareholder vote (in €)	Presentation
Annual variable compensation		<p data-bbox="474 325 916 347">Multi-criteria annual variable compensation</p> <p data-bbox="474 357 1047 491">For reasons of confidentiality and business secrecy, and in particular to avoid (i) disclosing information about the Company's strategy that could be used by competitors for their advantage and (ii) creating confusion in shareholders' minds with the information disclosed by the Company to investors, the Supervisory Board has elected not to disclose any details of these performance targets.</p> <p data-bbox="474 501 1047 564">This component corresponds to between 0% and 14% of the allocated share of profit, depending on the level of achievement in 2014 of the following eight criteria set by the Supervisory Board:</p> <ul data-bbox="474 574 1047 868" style="list-style-type: none"> • four quantitative criteria – the same as those applied to determine the 2014 variable compensation of the Executive Committee members – which together count for up to 100/150^{ths}: <ul data-bbox="497 644 1047 804" style="list-style-type: none"> – annual growth in unit sales, – annual savings from the Efficiency project to reduce overheads, measured on the basis of an appropriate SG&A/gross margin ratio, – annual free cash flow (after capital expenditure and financial investments), – annual increase in market share in certain tire segments; • four qualitative criteria linked to the Group's strategy, management and financial communications, which together count for up to 50/150^{ths}. <p data-bbox="474 877 561 900">Note that:</p> <ul data-bbox="474 909 1047 1043" style="list-style-type: none"> • if the cumulative achievement rate for the eight criteria is less than 50/150^{ths}, Mr. Senard will not be entitled to any multi-criteria variable compensation; • he will be awarded the maximum 14% of the allocated share of profit for this component only if the cumulative achievement rate for the eight criteria is 150/150^{ths}. <p data-bbox="474 1053 1047 1098">The Compensation and Appointments Committee carefully reviewed each of the quantitative and qualitative criteria:</p> <p data-bbox="474 1107 1047 1241">Based on its analysis concerning the multi-criteria annual variable component, the Committee considered that the cumulative achievement rate for the quantitative and qualitative criteria was 80/150^{ths}. Applying this rate to the criteria assessment grid puts the multi-criteria annual variable component at €350,017, to be paid out of the share of profit allocated for 2014.</p>

ORDINARY RESOLUTIONS

Compensation due or awarded for 2014	Amounts (or accounting value) submitted to the shareholder vote (in €)	Presentation
Deferred variable compensation	No deferred variable compensation was due for 2014	<p>Long-term incentive (long-term variable component)</p> <p>The long-term incentive is calculated on a base amount of €1,800,000, as adjusted to reflect Michelin's stock market performance over the period 2014/2015/2016. The adjustment is based on performance over the three-year period against the following three criteria:</p> <ul style="list-style-type: none"> • growth in the Michelin share price compared with that of the CAC 40 index, for 33.3%; • average annual growth in Group net sales, for 33.3%; • average annual return on capital employed (ROCE), for 33.3%. <p>The targets for the second and third criteria concern like-for-like growth in net sales and ROCE (i.e. based on a comparable structure and at constant exchange rates, excluding any changes in accounting policies and any non-recurring items), and may be revised following the occurrence of any exceptional events.</p> <p>The achievement rate under this long-term incentive plan will be equal to 100% only if the targets for all three criteria are met in full.</p> <p>The final amount receivable under the long-term incentive plan will be:</p> <ul style="list-style-type: none"> • capped at 150% of the average of the annual variable and multi-criteria variable compensation paid to Mr. Senard for 2014, 2015 and 2016; • paid out of the share of profit allocated to the General Partners in respect of 2016 and payable in 2017 after the 2016 financial statements have been approved: <ul style="list-style-type: none"> – subject to the availability of profit shares payable in 2017 in respect of 2016 profit, and – up to the amount of said available profit shares after deducting the annual variable and multi-criteria variable components due for 2016. <p>As this is a long term incentive plan, the Supervisory Board noted that no amount was due in respect of 2014.</p>
Exceptional compensation	N/A	No exceptional compensation
Stock options, performance shares and other long-term compensation	Stock options = N/A Performance shares = N/A Other long-term compensation = N/A	No stock options granted No performance shares granted No other long-term compensation awarded
Attendance fees	N/A	Mr. Senard does not receive any attendance fees
Value of fringe benefits	6,894	Company car
Signing bonus	N/A	Mr. Senard was not paid any signing bonus

Components of compensation due or awarded for 2014 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments*

	Amounts submitted to the shareholder vote (in €)	Presentation
Compensation for loss of office	No compensation for loss of office was due for 2014	<p>In accordance with Article 13-2 of the bylaws, as approved by an extraordinary resolution of the May 13, 2011 Annual Shareholders Meeting, if Mr. Senard were to be removed from office before the end of his term as a result of a change of strategy or a change of control of the Company, provided such removal was not due to gross misconduct, he would be entitled to compensation for loss of office to be decided by the Non-Managing General Partner and subject to the prior approval of the Supervisory Board. The amount of any such compensation would not exceed the equivalent of Mr. Senard's total compensation for the two years preceding the year of his removal from office.</p> <p>In accordance with the internal rules of both the Compensation and Appointments Committee and the Supervisory Board, the Supervisory Board approved the performance criteria to be applied for the calculation of the compensation for loss of office, as recommended by the Committee, and informed the Chief Executive Officer of these criteria in 2014.</p> <p>The final amount of compensation for loss of office paid pursuant to Article 13-2 of the bylaws would depend on the average 'multi-criteria annual variable compensation' to the Chief Executive Officer of the allocated share of profit for the three years preceding his removal from office (the Three-year Average), as follows:</p> <ul style="list-style-type: none"> • Three-year Average of less than 40%: no compensation for loss of office; • Three-year Average of between 40% and 60%: compensation for loss of office equal to 50% of the Reference Base; • Three-year Average of between 60% and 100%: compensation for loss of office equal to 100% of the Reference Base. <p>Where the Reference Base corresponds to the aggregate compensation paid for the two years preceding the year of his removal from office.</p> <p>The compensation for loss of office would be reduced, if applicable, so that any other severance payments due to Mr. Senard would not result in his receiving an aggregate severance package in excess of two years' compensation, as recommended in the AFEP/MEDEF Code.</p>

ORDINARY RESOLUTIONS

Components of compensation due or awarded for 2014 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments*

Amounts submitted to the shareholder vote (in €)

Presentation

Non-compete indemnity	No indemnity was due under a non-compete clause in 2014	<p>In the same way as Michelin employees who have specific expertise that needs to be protected to prevent its use by a competitor in a manner that is detrimental to the Company's interests, Mr. Senard is subject to a non-compete clause, which was signed on July 26, 2011 after prior approval by the Supervisory Board. This clause replaced the one contained in his employment contract that was terminated following his election as General Managing Partner.</p> <p>If the Company were to decide to apply this non-compete clause, for a two-year period it would have to pay to Mr. Senard the equivalent of up to 16 months' compensation based on the most recent aggregate compensation paid to him by Group companies.</p> <p>The Company is, however, entitled to waive the application of this clause.</p> <p>Any compensation for loss of office that would be due to Mr. Senard in the event of a change of control or strategy would be reduced or withheld entirely if necessary so that his aggregate severance package, including the non-compete indemnity referred to above, did not exceed the equivalent of the aggregate of his last two years' compensation, as recommended in the AFEP/MEDEF Code.</p>
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Components of compensation due or awarded for 2014 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments*

Amounts submitted to the shareholder vote (in €)

Presentation

Supplementary pension benefits	No supplementary pension benefits were due in 2014	<p>Mr. Senard is not a member of any pension plan set up specifically for executive officers. In his capacity as Non-General Managing Partner of MFPM, Mr. Senard is a member of the supplementary pension plan set up for MFPM senior executives. His benefit entitlement under this plan is determined by reference to the fixed compensation paid to him by that company (reference compensation). The cost of this supplementary plan, which is not restricted to Non-General Managing Partners (executive officers), is recognized as a liability in the balance sheet in accordance with accounting standards as applied by the Group. Its main characteristics are as follows:</p> <ul style="list-style-type: none"> • participants must have served for at least five years as a senior executive; • 1.5% of benefits vest each year, entitling participants to an annuity representing a replacement rate of up to 15% of the reference compensation (annual average of the three best years of compensation out of the last five years preceding the beneficiary's retirement); • the replacement rate including benefit entitlements under compulsory plans is capped at 35%. <p>To be entitled to benefits under this plan, Mr. Senard must end his career with MFPM as an executive employee or corporate officer, in accordance with Article L. 137-11 of the French Social Security Code.</p> <p>Calculated using the general actuarial assumptions applied to measure the Group's obligation in accordance accounting standards as applied by the Group, Mr. Senard's total benefit entitlement under the plans would represent a gross replacement rate of less than 10% of his reference compensation.</p> <p>As this reference compensation represents less than half of the aggregate amount received by Mr. Senard for 2014 (fixed compensation and variable share of profit as stipulated in the bylaws), his actual gross replacement rate would be around one half of the above-mentioned replacement rate, and therefore well below the 45% ceiling recommended in the AFEP/MEDEF Code.</p>
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* Unlike for joint stock companies (*sociétés anonymes*, or *SAs*) the provisions concerning "related-party commitments" set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (*société en commandite par actions*, or *SCA*) to its Managing Partners (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments).

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

ORDINARY RESOLUTIONS

Sixth resolution (Advisory vote on the components of the compensation due or awarded for 2014 to Jean-Dominique Senard, Chief Executive Officer)

Having considered the report of the Supervisory Board and having noted the approval of the Non-Managing General Partner, the Ordinary Shareholders Meeting issues a positive advisory vote on the components of the compensation due or awarded for 2014 to Jean-Dominique Senard, Chief Executive Officer, as presented in section 4.3.3 of the 2014 Registration Document.

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

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

The current members of Michelin's Supervisory Board are Barbara Dalibard, Anne-Sophie de La Bigne, Laurence Parisot, Olivier Bazil, Pat Cox, Jean-Pierre Duprieu and Michel Rollier. All of them have very solid business experience acquired through working with leading corporations as well as a good knowledge of the Michelin Group. They actively participate in the work of both the Board and its Committees, as illustrated by the attendance rates for meetings held in 2014 (97.8% for Board meetings and 100% for meetings of the Audit Committee and the Compensation and Appointments Committee).

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

A summary of the work carried out by the Supervisory Board in 2014 is included in the report of the Chairman of the Supervisory Board on the Board's membership structure and practices, set out in section 4.5 of the 2014 Registration Document.

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

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

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

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

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

For further information on Michelin's corporate governance principles please see sections 4.1 and 4.2 of the 2014 Registration Document ("Administrative, Management and Supervisory Bodies, and Senior Management" and "Practices of the Administrative, Management and Supervisory Bodies").

► **The Supervisory Board is recommending that shareholders re-elect one Supervisory Board member and elect one new member**

The term of office of Barbara Dalibard is due to expire at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ended December 31, 2014.

In addition, the Supervisory Board has decided to put forward a new candidate for election to replace Louis Gallois, who resigned from the Board in February 2014.

The candidate selection process, the criteria applied by the Compensation and Appointments Committee and a presentation of the candidates are set out in the report of the Supervisory Board on the proposed resolutions (see the Notice of Meeting for the 2015 Annual Shareholders Meeting and section 10.2 of the 2014 Registration Document).

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

- re-elect Barbara Dalibard (who did not take part in the Supervisory Board vote on her nomination for re-election);
- elect Aruna Jayanthi as a new member of the Board.

These Supervisory Board members would be elected/re-elected for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2018.

**Seventh resolution
(Re-election of Barbara Dalibard as a member of the Supervisory Board)**

Having considered the reports of the Chief Executive Officer and the Supervisory Board, the Ordinary Shareholders Meeting re-elects Barbara Dalibard as a member of the Supervisory Board for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2018.

**Eighth resolution
(Election of Aruna Jayanthi as a member of the Supervisory Board)**

Having considered the reports of the Chief Executive Officer and the Supervisory Board, the Ordinary Shareholders Meeting elects Aruna Jayanthi as a member of the Supervisory Board for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2018.

EXTRAORDINARY RESOLUTIONS

The three extraordinary resolutions proposed at the 2015 Annual Shareholders Meeting concern the following:

- the renewal, on the same terms and conditions, of the authorization previously given by shareholders to reduce the Company's capital by cancelling shares;
- amendments to the Company's bylaws required due to a change in the record date applicable for Annual Shareholders Meetings;
- powers to carry out the required formalities related to the Annual Shareholders Meeting.

Ninth resolution

► Authorization for the Chief Executive Officer to reduce the Company's capital by cancelling shares

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

This authorization is being sought for a period of 18 months and would supersede the authorization granted for the same purpose in the twentieth resolution of the May 16, 2014 Annual Shareholders Meeting, which was used to cancel just over a million shares in 2014, with a corresponding capital reduction (see the Company's press release issued on November 4, 2014 as well as section 5.5.7 b) of the 2014 Registration Document).

A detailed explanation of this type of proposed resolution is provided in Information Sheet 5.10 of the MEDEF Guide («Authorizations to carry out capital reductions»), on page 67.

Ninth resolution (Authorization for the Chief Executive Officer to reduce the Company's capital by cancelling shares)

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

- to authorize the Chief Executive Officer to:
 - cancel, at his sole discretion, on one or more occasions, all or some of the shares purchased under shareholder-approved buyback programs, provided that the number of shares cancelled does not exceed 10% of the Company's capital,
 - charge the difference between the cost of the cancelled shares and their par value against any available premium or reserve account;
- to grant the Chief Executive Officer full powers – which may be delegated in accordance with the law – to (i) carry out the capital reduction(s) 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 18 months from the date of this Meeting and supersedes any authorization previously granted for the same purpose.

Tenth resolution

► Change in the record date for Annual Shareholders Meetings

Following the adoption of EU Regulation 909/2014 on improving securities settlement and regulating central securities depositories, Decree 2014-1466 was issued in France on December 8, 2014 setting a new timeframe for record dates (corresponding to the date on which issuers of securities listed on a regulated market establish the list of persons and entities authorized to take part in meetings of shareholders or bondholders). Consequently, Article R. 225-85 of the French Commercial Code has been amended to change the deadline for the record date to two business days before the Meeting concerned (compared with three business days previously).

The purpose of the tenth resolution is to amend the Company's bylaws in line with these new compulsory regulatory provisions, which have been effective since January 1, 2015.

Tenth resolution (Amendment of the Company's bylaws to change the record date for Annual Shareholders Meetings)

Having (i) considered the report of the Chief Executive Officer, (ii) noted the approval of both of the General Partners, and (iii) noted the amendment to Article R. 225-85 of the French Commercial Code resulting

from Decree 2014-1466 of December 8, 2014 which amends the deadline and terms and conditions applicable to record dates for meetings of shareholders and bondholders of commercial companies, the Extraordinary Shareholders Meeting resolves to amend the last sentence of Article 22 of the Company's bylaws.

Accordingly, the wording of said sentence, which is currently: *"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"*, shall be amended to read as follows: *"Only those shareholders registered as shareholders in the Company's books two days at least before the date of the Meeting shall be entitled to participate in the Meeting."*

Eleventh resolution

► Powers to carry out formalities

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

Eleventh resolution (Powers to carry out formalities)

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

SUMMARY OF FINANCIAL AUTHORIZATIONS SUBMITTED FOR SHAREHOLDER APPROVAL

Corporate action	Applicable ceilings (nominal amount)	Duration (expiration date)
Share buyback program (Fifth resolution)	18.57 million shares at a maximum per-share purchase price of €140	18 months (November 2016)
Share cancellations (Ninth resolution)	10% of the Company's capital	18 months (November 2016)

REPORT OF THE SUPERVISORY BOARD

To the shareholders,

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

RECOMMENDATIONS ON THE APPROVAL OF THE FINANCIAL STATEMENTS, FINANCIAL AUTHORIZATIONS AND AMENDMENTS TO THE BYLAWS RELATED TO THE RECORD DATE

Concerning the ordinary resolutions, the Chief Executive Officer's report and the accounting and financial information communicated to you present the Group's operations and results for 2014 (for the purposes of the first, second and third resolutions). We have no comments on the Statutory Auditors' reports on the financial statements.

As no new related-party agreements requiring shareholder approval were entered into in 2014, you are asked to place on record that there are no such agreements to approve (in the fourth resolution).

In the fifth resolution, the Company is seeking an authorization to renew its share buyback program based on a maximum purchase price of €140 per share, unchanged from the previous program. An authorization to cancel shares bought back under the program is also being sought (in the ninth resolution) to replace the authorization granted in 2014, which was used by the Company during the year.

Lastly, shareholders are being asked to approve an extraordinary resolution (the tenth resolution), whose purpose is to amend the Company's bylaws in order to comply with the new deadline applicable to record dates for shareholders meetings as set in the Decree issued in France on December 8, 2014 which entered into force on January 1, 2015.

In 2014 the Group once again met its main performance targets, recording a year-on-year increase in consolidated operating income (excluding the currency effect) and generating a high level of free cash flow which enabled it to further strengthen its financial structure.

In addition, the Group is still on track to meet its major strategic objectives.

In view of this, we have every confidence in the Chief Executive Officer and recommend that you vote in favour of the first, second, third, fourth, fifth, ninth and tenth resolutions being submitted for your approval.

SIXTH RESOLUTION: ADVISORY "SAY-ON-PAY" VOTE ON THE CHIEF EXECUTIVE OFFICER'S COMPENSATION FOR 2014

As prescribed in Article L. 225-37 of the French Commercial Code, the Company bases its corporate governance framework on the Corporate Governance Code for listed companies published by AFEP and MEDEF, as revised on June 16, 2013 (the AFEP/MEDEF Code), and on the Code's implementation guidance, as revised on December 23, 2014.

Michelin's Supervisory Board elected to apply the «say-on-pay» recommendations in the AFEP/MEDEF Code as from when the Company adopted the Code.

Consequently, with the approval of the Non-Managing General Partner (SAGES), we are asking you to approve the sixth resolution and to issue a positive advisory

vote on the components of the compensation due or awarded for 2014 to Jean-Dominique Senard, the Company's Chief Executive Officer and sole executive officer.

The compensation components concerned and the related reviews performed by the Compensation and Appointments Committee are described in the table included in the presentation of the sixth resolution in the Chief Executive Officer's report, and in section 4.3.3 of the 2014 Registration Document.

SEVENTH AND EIGHTH RESOLUTIONS: ELECTION AND RE-ELECTION OF SUPERVISORY BOARD MEMBERS

The term of office of Barbara Dalibard is due to expire at the close of the May 22, 2015 Annual Shareholders Meeting and the Compensation and Appointments Committee recommended to the Supervisory Board that she be re-elected.

In addition, following a review of candidates, the Supervisory Board is recommending the election of a new Board member to replace Louis Gallois, who resigned on February 11, 2014 due to his new position as Chairman of PSA's Supervisory Board.

Because Mr. Gallois' resignation was tendered so soon before the May 16, 2014 Annual Shareholders Meeting, as explained in the Supervisory Board's report on the resolutions for that Meeting, the Compensation and Appointments Committee decided to review the candidates for his replacement after the Meeting so as to conduct the selection procedure in the best possible conditions.

Proposal to re-elect Barbara Dalibard as a Supervisory Board member

► Barbara Dalibard



SNCF Direction Générale Voyageurs
2, place aux Étoiles
93210 La Plaine-Saint-Denis, France

Barbara Dalibard was born in 1958 and is a French national. She is Chief Executive Officer of SNCF Voyageurs and owns 485 Michelin shares.

The Compensation and Appointments Committee examined Ms. Dalibard's candidacy for re-election and particularly noted:

- her in-depth understanding of the Group's main challenges;
- her contribution to determining the Group's main research and development strategies;
- her expertise in issues related to the digital economy;
- her availability and involvement in the Board's work;
- the fact that she is an independent member of the Board and has no conflicts of interest.

Barbara Dalibard has been a Supervisory Board member since 2008 and following the latest review of the independence of its members the Board classified her as independent because:

- she does not have any close family ties with either the Chief Executive Officer or any member of the Supervisory Board;

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

Following its assessment process, the Compensation and Appointments Committee decided that it would be in the best interests of the Company's shareholders to continue to benefit from Barbara Dalibard's skills and experience and therefore asked her if she was willing to be re-elected. Ms. Dalibard agreed, and the Supervisory Board decided to accept the Compensation and Appointment Committee's recommendation issued on October 13, 2014 and voted to put her forward for re-election for a further four-year term at the 2015 Annual Shareholders Meeting. Ms. Dalibard did not take part in this Supervisory Board vote.

Proposal to elect Aruna Jayanthi as a new Supervisory Board member

As requested by the Supervisory Board, the Compensation and Appointments Committee based its search for the new Supervisory Board member on best market practices as adapted to the Company's specific situation.

The Committee assigned the initial selection process to a leading independent recruitment firm which shortlisted around ten potential candidates.

After carefully reviewing each individual candidacy on the shortlist, the Committee decided to recommend Aruna Jayanthi for election.

► Aruna Jayanthi



Capgemini India Pvt.Ltd
Godrej & Boyce Compound
LBS Road, Vikhroli (West)
Mumbai 400079 (India)

Aruna Jayanthi was born in 1962 in Visakhapatnam (India) and is an Indian national. She speaks French fluently.

Ms. Jayanthi has been the Chief Executive Officer of Capgemini India since 2011 and in this role she oversees all of the Capgemini group's operations in India, covering Consulting, Technology and Outsourcing Services provided by some 50,000 employees.

After graduating from the Narsee Monjee Institute of Management Studies in Mumbai, Ms. Jayanthi held a number of different IT services positions between 1984 and 2000 (including in Europe and the United States), such as with Tata Consulting Services and Aptech.

She joined the Capgemini group in 2000.

The Compensation and Appointments Committee carried out an in-depth review of Ms. Jayanthi's candidacy, which included a face-to-face interview. The Committee concluded that the main strengths she would bring to the Supervisory Board would be:

- her multi-national and multi-cultural experience;
- her expertise in consulting, IT services and eco-digital solutions;

- her managerial experience within a major international group;
- her knowledge of the Indian market and emerging markets;
- her desire to actively participate in the work carried out by the Supervisory Board.

The Committee also reviewed Ms. Jayanthi's independence in relation to Michelin and noted that:

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

Aruna Jayanthi agreed to stand for election as a Supervisory Board member and undertook to acquire 200 Michelin shares before the May 22, 2015 Annual Shareholders Meeting, and then, within a reasonable timeframe, to increase the number of shares she holds to at least 400, as required by the Supervisory Board's internal rules.

The Chairman of the Compensation and Appointments Committee reported back to the Supervisory Board on its selection process and recommended that Aruna Jayanthi be put forward for election as a new independent member of the Supervisory Board for a four-year term.

SEVENTH AND EIGHTH RESOLUTIONS: ELECTION AND RE-ELECTION OF SUPERVISORY BOARD MEMBERS

Consequently, at its February 5, 2015, the Supervisory Board decided that at the May 22, 2015 Annual Shareholders Meeting it would recommend that shareholders elect Aruna Jayanthi as a new Board member and that they re-elect Barbara Dalibard.

The election of Ms. Jayanthi and re-election of Ms. Dalibard will:

- give the Board a complementary mix of business expertise and corporate cultures;
- strengthen the Board's international dimension;
- enrich the Board's range of skills;
- maintain the proportion of women on the Board at 37.5% ⁽¹⁾;
- maintain the number of independent Supervisory Board members at six, representing 75%.

If Ms. Jayanthi and Ms. Dalibard are elected/re-elected, after the Annual Shareholders Meeting the expiration dates of the Supervisory Board members' terms of office will be effectively staggered, as follows:

EXPIRATION DATES OF SUPERVISORY BOARD MEMBERS' TERMS OF OFFICE

	2016 Annual Shareholders Meeting	2017 Annual Shareholders Meeting	2018 Annual Shareholders Meeting	2019 Annual Shareholders Meeting
Olivier Bazil		X		
Pat Cox			X	
Barbara Dalibard (<i>standing for re-election at the 2015 Annual Shareholders Meeting</i>)				X
Anne-Sophie de La Bigne	X			
Jean-Pierre Duprieu	X			
Laurence Parisot			X ⁽¹⁾	
Cyrille Poughon			X	
Michel Rollier		X		
Aruna Jayanthi (<i>standing for election at the 2015 Annual Shareholders Meeting</i>)				X
NUMBER OF EXPIRATIONS BY YEAR	2	2	3	2

(1) Ms. Parisot's term was due to expire on this date, but she tendered her resignation with effect from July 24, 2015 (see section 4.5.1. a) of the 2014 Registration Document).

February 5, 2015

Michel Rollier

Chairman of the Supervisory Board

(1) Considering the resignation of Laurence Parisot, with effect from July 24, 2015.

STATUTORY AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE CAPITAL REDUCTION

Combined Shareholders' Meeting of May 22, 2015 (9th resolution)

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

To the Shareholders,

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

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

We performed the procedures that we considered necessary in accordance with the French professional standards issued by our professional body, *Compagnie nationale des Commissaires aux Comptes*, for this type of engagement. Those procedures consisted of examining whether the reasons for and the terms of the proposed capital reduction, which does not undermine shareholder equality, comply with applicable legal provisions.

We have nothing to report concerning the reasons for and the terms of the proposed capital reduction.

Neuilly-sur-Seine, February 9, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit

Éric Bulle

Deloitte & Associés

Dominique Descours

FIVE-YEAR FINANCIAL SUMMARY

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

	2010	2011	2012	2013	2014
I – Capital at December 31					
a) Share capital	353,216	360,038	365,113	371,579	371,452
b) Number of common shares outstanding	176,607,845	180,018,897	182,556,713	185,789,643	185,726,200
II – Results of operations					
a) Net revenue	479,974	532,552	566,610	545,071	503,954
b) Earnings before tax, depreciation, amortization and provisions (EBTDA)	214,443	382,027	477,181	331,917	598,149
c) Income tax	29,187	21,646	(7,993)	12,741	22,365
d) Net income	184,932	360,146	465,119	302,985	555,428
III – Per share data					
a) Earnings per share after tax, before depreciation, amortization and provision expenses (EBDA)	1.05	2.00	2.66	1.72	3.10
b) Basic earnings per share	1.05	2.00	2.55	1.63	2.99
c) Dividend per share	1.78	2.10	2.40	2.50	2.50 ⁽¹⁾
IV – Employee data					
a) Average number of employees	18	14	10	8	8
b) Total payroll	2,706	4,245	1,434	485	318
c) Total benefits	824	1,436	648	(119)	139

(1) Subject to approval by shareholders at the Annual Meeting on May 22, 2015.

PARTICIPATION IN THE SHAREHOLDERS' MEETING

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

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

To attend the Meeting in person, participate by proxy or vote online or by post, your shares must be recorded in the Company's share register in your name as of no later than 12:00 am CET on the second business day preceding the Meeting (*i.e.* 12:00 am CET on May 20, 2015).

Only shareholders that fulfill this requirement by 12:00 am CET on May 20, 2015 on the basis specified in Article R.225-85 of the French Commercial Code, as described above, will be entitled to participate in the Meeting.

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

B. HOW TO PARTICIPATE IN THE SHAREHOLDERS MEETING

1. If you wish to attend the Meeting in person, you may request an admission card in advance, either by:
 - email, following the instructions in the email delivering the Notice of Meeting;
 - returning the proxy/postal voting form after checking the box "I will attend the Shareholders Meeting," using the pre-addressed envelope that came with the Notice of Meeting.
2. If you are unable to attend the Meeting in person and wish to vote by post or online or give proxy to the meeting Chairman or any other person, you may either:
 - return the proxy/postal voting form that came with the Notice of Meeting, using the pre-addressed envelope and taking care that it is received at least **three days** before the date of the Meeting, *i.e.* no later than **May 19, 2015**;

- cast your vote online prior to the Meeting:
 - if you opted for the e-Notice of Meeting, you will receive an email with the Notice of Meeting and a link to the secure online voting site **www.voteassemblee.com/michelin**. You will need to use the login indicated in the email and the password sent to you in a separate email the same day;
 - other shareholders may also opt to vote online by mailing a request at least 35 days before the Meeting to Société Générale, Service Assemblées, 32 rue du Champ de Tir, BP 81236, 44312 Nantes Cedex 03, indicating your name, address and date of birth. In reply, Société Générale will email a link to the secure voting site, followed by another email with the password to vote.

The website will be open from 9:00 am on April 1, 2015 until 3:00 pm on May 21, 2015, CET. To avoid overloading the site, shareholders are encouraged not to wait until the last minute to vote.

3. In accordance with Article R. 225-79 of the French Commercial Code, you may also give or withdraw proxies by email to mandatAG2015@fr.michelin.com, taking care to sign with an electronic signature obtained from an accredited certification service provider. The email should indicate your name, address and Michelin ID, as well as the name of the person to whom you are giving proxy or from whom the proxy is being withdrawn.

Only duly completed and signed notifications received by May 19, 2015 will be taken into account. The above email address should be used only to send emails giving or withdrawing proxies. Requests or notifications concerning other matters will not be taken into account or processed.

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

1. One or several shareholders representing at least the percentage of capital specified in the applicable laws and regulations may request the inclusion of certain resolutions or items on the Meeting agenda on the basis specified in Articles R.225-71 and R.225-73 of the French Commercial Code. Such requests should be sent to Compagnie Générale des Etablissements Michelin, for the attention of Jacques Engasser, 12 cours Sablon, 63000 Clermont-Ferrand, France, by registered letter with return receipt requested, within twenty days of publication of this notice of meeting, i.e. no later than March 29, 2015.

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

For the proposed resolutions or agenda items to be discussed at the Meeting, your shares must be recorded in the Company's share register as of no later than 12:00 am CET on the second business day preceding the Meeting date (i.e. 12:00 am CET on May 20, 2015 at the latest).

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

2. In accordance with Article R.225-84 of the French Commercial Code, written questions should be submitted to Compagnie Générale des Etablissements Michelin, for the attention of Mr. Jacques Engasser, 12 cours Sablon, 63000 Clermont-Ferrand, France, by registered letter with return receipt requested, indicating your Michelin ID, no later than the fourth business day preceding the Meeting, i.e. May 18, 2015.

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

3. In accordance with the applicable laws and regulations, all documents required to be made available to shareholders in connection with Shareholders Meetings will be made available at the Company's headquarters, 12 cours Sablon, 63000 Clermont-Ferrand, France, as from the date of publication of the notice of meeting or fifteen days prior to the Meeting, depending on the document concerned. The documents provided for in Article R.225-73-1 of the French Commercial Code will be posted on the Company's website: <http://www.michelin.com>, from March 9, 2015, i.e. well before the twenty-first day preceding the Meeting.

Jean-Dominique Senard

Managing Partner

Chief Executive Officer of the Michelin Group

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

All our documents are available in digital format.

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

We thank you for your contribution to this approach.



DOCUMENT REQUEST

(to be sent with the voting form)

Mr., Mrs, Miss:

Adress:

ZIP code: Town/country:

E-mail: @

- Pursuant to article R. 225-88 of the French Commercial Code, wishes to receive the documents and information concerning the Annual Shareholders Meeting to be held on May 22, 2015, listed under article R. 225-83 of the French Commercial Code.
- Wishes to receive the new Michelin Shareholder Booklet (**only in French**) combines a presentation of the Group together with practical information you should find useful to manage my shares.

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

- By e-mail
- By post

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

Made in Date

Signed



NOTES

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COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN

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63040 Clermont-Ferrand Cedex 9 – France
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