



Compagnie Générale des Établissements Michelin
(incorporated as a *société en commandite par actions* in France)

€750,000,000 0.875 per cent. Bonds
due September 3, 2025
Issue price: 99.099 per cent.

€1,000,000,000 1.750 per cent.
Bonds due September 3, 2030
Issue price: 99.262 per cent.

€750,000,000 2.500 per cent. Bonds
due September 3, 2038
Issue price: 99.363 per cent.

The €750,000,000 0.875 per cent. Bonds due September 3, 2025 (the “**2025 Bonds**”), the €1,000,000,000 1.750 per cent. Bonds due September 3, 2030 (the “**2030 Bonds**”) and the €750,000,000 2.500 per cent. Bonds due September 3, 2038 (the “**2038 Bonds**”) and, together with the 2025 Bonds and the 2030 Bonds, the “**Bonds**” and each a “**Series**”, and references to “**relevant Series of Bonds**” shall be construed accordingly) are to be issued by Compagnie Générale des Établissements Michelin (the “**Issuer**”) on September 3, 2018 (the “**Issue Date**”). The Bonds bear interest on their outstanding principal amount from and including the Issue Date (i) at a rate of 0.875 per cent. per annum in respect of the 2025 Bonds, (ii) at a rate of 1.750 per cent. per annum in respect of the 2030 Bonds and (iii) at a rate of 2.500 per cent. per annum in respect of the 2038 Bonds, in accordance with the provisions set out in “*Interest*” in the Terms and Conditions of the relevant Series of Bonds.

Unless previously redeemed or purchased and cancelled, the Bonds of each Series will be redeemed at their principal amount on the relevant Maturity Date (as defined in the Terms and Conditions of the relevant Series of Bonds). The Issuer may, at its option, and in certain circumstances shall, redeem the Bonds of each Series, in whole but not in part, at any time, at their principal amount together with interest accrued to the date fixed for redemption in the event of certain tax changes as described under “*Redemption and Purchase – Redemption for Taxation Reasons*” in the Terms and Conditions of the relevant Series of Bonds. The Issuer may, at its option, (i) at any time from and including the date falling three (3) months before the relevant Maturity Date (as defined in the Terms and Conditions of the relevant Series of Bonds) to but excluding such Maturity Date, redeem the Bonds of each Series outstanding on any such date, in whole but not in part, at their principal amount together with interest accrued, as described under “*Redemption and Purchase – Residual maturity call at the option of the Issuer*” in the Terms and Conditions of the relevant Series of Bonds, (ii) redeem the Bonds of each Series outstanding, in whole but not in part, on the Make-whole Redemption Date (as defined in the Terms and Conditions of the relevant Series of Bonds) at the amount calculated as described under “*Redemption and Purchase – Make Whole Redemption at the option of the Issuer*” in the Terms and Conditions of the relevant Series of Bonds and (iii) redeem the Bonds of each Series, in whole but not in part, at their principal amount plus accrued interest, at any time prior to the relevant Maturity Date (as defined in the Terms and Conditions of the relevant Series of Bonds), if 80 per cent. of the Bonds of each Series have been redeemed or purchased and cancelled, in accordance with the provisions set out in “*Redemption and Purchase – Clean-Up Call Option*” in the Terms and Conditions of the relevant Series of Bonds. In addition, the holder of a Bond of each Series will have the option, following a Change of Control (as defined in the Terms and Conditions of the relevant Series of Bonds), to require the Issuer to redeem, or at the Issuer’s option, purchase such Bond held by such Bondholder at its principal amount together with any accrued interest thereon on the Put Change of Control Settlement Date (as defined in the Terms and Conditions of the relevant Series of Bonds) as more fully described under “*Redemption and Purchase – Change of control redemption at the option of Bondholder*” in the Terms and Conditions of the relevant Series of Bonds.

This prospectus (including the documents incorporated by reference) (the “**Prospectus**”) constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading, as amended from time to time (the “**Prospectus Directive**”). This Prospectus has been approved by the *Autorité des marchés financiers* (the “**AMF**”) in France, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive. Application has been made to admit the Bonds to trading on the regulated market of Euronext Paris (“**Euronext Paris**”). The Bonds shall be admitted to trading on Euronext Paris with effect from the Issue Date. Euronext Paris is a regulated market for the purposes of Directive 2014/65/UE of the European Parliament and of the Council on markets in financial instruments, as amended, appearing on the list of regulated markets issued by the European Securities and Markets Authority (each a “**Regulated Market**”).

The Bonds of each Series will on the Issue Date be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in “*Form, Denomination and Title*” of the Terms and Conditions of the relevant Series of Bonds) including Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking S.A. (“**Clearstream**”).

The Bonds of each Series will be issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Bonds of each Series will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds of each Series.

The Issuer is rated A- with a stable outlook by S&P Global Ratings (“**S&P**”) and A3 with a stable outlook by Moody’s Investors Services Ltd (“**Moody’s**”). The Bonds have been assigned a rating of A- by S&P and A3 by Moody’s. S&P and Moody’s are established in the European Union, registered under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”) and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section “Risk Factors” in this Prospectus. Unless otherwise stated, references in this Prospectus to the “Group” are references to the Issuer and its subsidiaries and holdings. This Prospectus and the documents incorporated by reference in this Prospectus will be published on the website of the Issuer (www.michelin.com) and on the website of the AMF (www.amf-france.org).

In respect of the 2025 Bonds

**Global Coordinator and Active Joint
Bookrunner**
CITIGROUP

**Structuring Advisor and Active Joint
Bookrunner**

In respect of the 2030 Bonds

**Global Coordinator and Active Joint
Bookrunner**
CITIGROUP

**Structuring Advisor and Active Joint
Bookrunner**

In respect of the 2038 Bonds

**Global Coordinator and Active Joint
Bookrunner**
CRÉDIT AGRICOLE CIB

**Structuring Advisor and Active Joint
Bookrunner**

CRÉDIT AGRICOLE CIB		CRÉDIT AGRICOLE CIB		CITIGROUP	
Active Joint Bookrunners		Active Joint Bookrunners		Active Joint Bookrunners	
COMMERZBANK	MUFG	COMMERZBANK	MUFG	COMMERZBANK	MUFG
NATIXIS	SANTANDER	NATIXIS	SANTANDER	NATIXIS	SANTANDER
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING		SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING		SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING	

This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and its subsidiaries (the “Group”) as well as the Bonds which according to the particular nature of the Issuer, the Group and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Group.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Joint Bookrunners (as defined in “Subscription and Sale” below) to subscribe or purchase any of the Bonds. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Bonds and the distribution of this Prospectus, see section “Subscription and Sale” below.

IMPORTANT - EEA RETAIL INVESTORS – *The Bonds are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

MIFID II product governance / Professional investors and ECPs only type of clients – *Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds, taking into account the five categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by ESMA dated February 5, 2018, has led to the conclusion that: (i) the type of clients to whom the Bonds are targeted is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “distributor”) should take into consideration the manufacturers’ type of clients assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers’ type of clients assessment) and determining appropriate distribution channels.*

No person is or has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Joint Bookrunners.

Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group, since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Joint Bookrunners have not separately verified the information contained herein. To the fullest extent permitted by law, the Joint Bookrunners accept no responsibility whatsoever for the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Group or in connection with the Bonds or their distribution or for any other statement, made or purported to be made by the Joint Bookrunners or on their behalf in connection with the Issuer or the Group or the offering and issue of the Bonds. The Joint Bookrunners accordingly disclaim all and any liability whether arising in tort or contract

or otherwise (save as referred to above) which they might otherwise have in respect of this Prospectus or any such information or statement.

Neither this Prospectus nor any other information supplied in connection with the Bonds or their distribution is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Prospectus or any other information supplied in connection with the Bonds or their distribution should purchase any of the Bonds. None of the Joint Bookrunners acts as a fiduciary to any investor or potential investor in the Bonds. Each investor contemplating subscribing or purchasing Bonds should make its own independent investigation of the financial condition and affairs, its own appraisal of the creditworthiness, of the Issuer or the Group and of the terms of the offering, including the merits and risks involved. For further details, see section “Risk Factors” below. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should subscribe for or consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Bonds. None of the Joint Bookrunners undertakes to review the financial condition or affairs of the Issuer or the Group after the date of this Prospectus nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Joint Bookrunners.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see section “Documents Incorporated by Reference” below).

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RISK FACTORS

The Issuer considers that the risk factors described below are important to make an investment decision in the Bonds and/or may alter its ability to fulfil its obligations under the Bonds towards investors. All of these factors are contingencies which are unpredictable and may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer, the Group, or to any of their respective subsidiaries.

The following describes the main risk factors that the Issuer considers, as of the date hereof, material with respect to the Bonds. The risks described below are not the only risks the Issuer and its subsidiaries face and they do not describe all of the risks of an investment in the Bonds. The inability of the Issuer to pay interest, principal or other amounts on or in connection with any Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Bonds are exhaustive. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on their business operations or on an investment in the Bonds.

Prior to making an investment decision in the Bonds, prospective investors should consider carefully all the information contained or incorporated by reference in this Prospectus, including the risk factors detailed below. In particular, prospective investors, subscribers and holders of Bonds must make their own analysis and assessment of all the risks associated to the Bonds and the risks related to the Issuer, its activities and financial position. They should also consult their own financial or legal advisors as to the risks entailed by an investment in the Bonds and the suitability of such an investment in light of their particular circumstances.

The Bonds should only be purchased by investors who are financial institutions or other professional investors or qualified investors who are able to assess the specific risks implied by an investment in the Bonds, or who act on the advice of financial institutions.

The order in which the following risk factors are presented is not an indication of the likelihood of their occurrence.

Terms used but not defined in this section shall have the same meaning as that set out in the “Terms and Conditions” of the relevant Series of Bonds or elsewhere in this Prospectus.

1. Risks relating to the Issuer

Risks factors relating to the Issuer and its operations are set out in pages 64 to 76 of the 2017 Registration Document and in page 93 of the 2018 First-Half Financial Report (as defined in the section “*Documents Incorporated by Reference*” of this Prospectus) which are incorporated by reference into this Prospectus.

Those risks include the following:

- **Risks related to the Group’s operations and strategy:**
 - Market risk;
 - Innovation risk;
 - Competition risk;
 - Risk of default by dealers;
 - Raw materials risk;
 - Reputational risk;

- **Operational risks:**
 - Ethical risk;
 - Health and safety risks;
 - Environmental risk;
 - Risk related to the safety and performance of products and services;
 - Accounting and financial risks:
 - o Liquidity risk;
 - o Currency risk;
 - o Interest rate risk;
 - o Equity risk;
 - o Counterparty risk;
 - o Credit risk;
 - Business interruption risk;
 - Supply continuity risk;
 - Property security risk;
 - Knowledge retention risk;
 - Human resources risk;
 - Legal and tax risks;
 - Information technology and information systems risk; and
 - Project management risk.

2. Risks relating to the Bonds

2.1 General risks relating to the Bonds

2.1.1 The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.1.2 Independent Review and Advice

Each prospective investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds. A prospective investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Bonds or as to the other matters referred to above.

2.1.3 Modification and waivers

The Terms and Conditions of the relevant Series of Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting, Bondholders who voted in a manner contrary to the majority and Bondholders who did not respond to, or rejected, the relevant Written Resolution. The meetings of Bondholders may deliberate on any proposal relating to the modification of the Terms and Conditions of the relevant Series of Bonds including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 10 (*Representation of Bondholders*) of the Terms and Conditions of the relevant Series of Bonds.

2.1.4 Change of law

The Terms and Conditions of the relevant Series of Bonds are based on applicable law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in applicable law or official application or interpretation of applicable law after the date of this Prospectus.

2.1.5 French insolvency law

Under French insolvency law, notwithstanding anything to the contrary, holders of debt securities (*obligations*) are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), accelerated safeguard procedure (*procédure de sauvegarde accélérée*), accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganization procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly comprises holders of all debt securities (*obligations*) issued by the Issuer (including the Bonds), whether or not under a debt issuance programme and regardless of their governing law. The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), the proposed accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), accelerated financial safeguard plan (*projet du plan de sauvegarde financière accélérée*) or judicial reorganization plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Bondholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;

- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Bonds) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the amount of debt securities held by the holders who voted during such Assembly; notwithstanding any clause to the contrary and the law governing the issuance agreement). No quorum is required for the Assembly to be validly held.

Stipulations relating to the representation of holders of the Bonds will not be applicable if they depart from any imperative provisions of French insolvency law that may be applicable.

The procedures, as described above or as they may be amended, could have an adverse impact on holders of the Bonds seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent.

2.1.6 Credit Risk

Bondholders are exposed to the credit risk of the Issuer. Credit risk refers to the risk that the Issuer may be unable to meet its financial obligations under the Bonds. If the creditworthiness of the Issuer deteriorates, the value of the Bonds may also decrease and investors selling their Bonds prior to maturity may lose all or part of their investment.

2.1.7 Market value of the Bonds

The market value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates.

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which such Bonds are admitted to trading. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

2.1.8 Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase, sale or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

2.2 Risks related to the market generally

2.2.1 There is no active trading market for the Bonds

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Group. Although this Prospectus will be filed with the AMF as the Bonds are expected to be admitted to trading on Euronext Paris, there is no assurance that such filings will be accepted, that the Bonds will be so admitted or that an active market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds.

2.2.2 Currency risk

Prospective investors of the Bonds should be aware that an investment in the Bonds may involve exchange rate risks. The Bonds may be denominated in a currency other than the currency of the purchaser's home jurisdiction. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. Fluctuations in exchange rates may affect the value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

2.2.3 Interest rate risks

Investment in the Bonds, which bear interest at a fixed rate, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

While the nominal interest rate of a fixed interest rate bond is fixed during the life of such a bond or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such bond changes in the opposite direction. If the market interest rate increases, the price of such bond typically falls, until the yield of such bond is approximately equal to the market interest rate. If the market interest rate decreases, the price of a fixed rate bond typically increases, until the yield of such bond is approximately equal to the market interest rate. Bondholders should be aware that movements of the market interest rate can adversely affect the price of the Bonds and can lead to losses for the Bondholders if they sell Bonds during the period in which the market interest rate exceeds the fixed rate of the Bonds.

2.2.4 The transfer of the Bonds is restricted

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**"). Accordingly, the Bonds may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Bonds. It is the obligation of investors in the Bonds to ensure that all offers and sales of the Bonds within the United States and any other countries comply with applicable securities laws. The Issuer has not agreed to or otherwise undertaken to register the Bonds under the Securities Act, and does not have any intention to do so. See section "*Subscription and Sale*" below.

2.2.5 Legality of purchase

Neither the Issuer, the Joint Bookrunners nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor of the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

2.3 Risks relating to the particular structure of the Bonds

2.3.1 The Bonds may be redeemed prior to maturity

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Bonds due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision thereof or any authority therein or thereof having power to tax as provided

in Condition 6.2 (*Redemption for Taxation Reasons*) of the Terms and Conditions of the relevant Series of Bonds, the Issuer may, and in certain circumstances shall be required to, redeem all, but not some only, of the outstanding Bonds in accordance with such Terms and Conditions.

In addition, Condition 6.3 (*Make-whole redemption at the option of the Issuer*) of the Terms and Conditions of the relevant Series of Bonds provides that the Bonds are redeemable at the Issuer's option at their make-whole redemption amount.

Furthermore, if eighty (80) per cent. or more in initial aggregate nominal amount of the Bonds have been redeemed or purchased and cancelled, the Issuer will have the option to redeem all of the outstanding Bonds at their principal amount plus accrued interest as provided in Condition 6.4 (*Clean-Up Call Option*) of the Terms and Conditions of the relevant Series of Bonds. In particular, there is no obligation for the Issuer to inform investors if and when this percentage has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of this option, the Bonds may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

In addition, the Issuer may choose to redeem all but not some only of the outstanding Bonds of each Series from and including the date falling three (3) months before the relevant Maturity Date of the relevant Bonds to but excluding such Maturity Date, on any such date under a residual maturity call option as provided in Condition 6.5 (*Residual maturity call at the option of the Issuer*) of the Terms and Conditions of the relevant Series of Bonds.

Depending on the number of Bonds of each Series in respect of which the put option provided in Condition 6.6 (*Change of control redemption at the option of Bondholders*) of the Terms and Conditions of the relevant Series of Bonds is exercised, any trading market in respect of those Bonds in respect of which such put option is not exercised may become illiquid. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Bonds.

2.3.2 Purchases by the Issuer in the open market or otherwise (including by tender offer) in respect of certain Bonds may affect the liquidity of the Bonds which have not been so purchased

Depending on the number of Bonds purchased by the Issuer as provided in Condition 6.8 (*Purchases*) of the Terms and Conditions of the relevant Series of Bonds, any trading market in respect of those Bonds that have not been so purchased may become illiquid.

2.3.3 Credit rating of the Bonds

The Bonds have been assigned a rating of A- by S&P and A3 by Moody's. The rating assigned to the Bonds by the rating agency is based on the Issuer's financial situation, but takes into account other relevant structural features of the transaction, including, *inter alia*, the terms of the Bonds, and reflects only the views of the rating agency. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this paragraph, and other factors that may affect the value of the Bonds. The rating addresses the likelihood of full and timely payment to the Bondholders of all payments of interest on each interest payment date and repayment of principal on the final payment date. There is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the rating agency as a result of changes in or unavailability of information or if, in the rating agency's judgment, circumstances so warrant. A credit rating and/or a corporate rating are not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Bonds.

2.3.4 Restrictive covenants

The Bonds do not restrict the Issuer from incurring additional debt. The Terms and Conditions of the relevant Series of Bonds contain a negative pledge that prohibits the Issuer in certain circumstances from creating security over assets, but only to the extent that such is used to secure other bonds or similar listed or quoted debt

instruments, and there are certain exceptions to the negative pledge. The Terms and Conditions of the relevant Series of Bonds do not contain any other covenants restricting the operations of the Issuer, or its ability to distribute dividends or buy back shares.

2.4 Risks relating to taxation

2.4.1 Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax overview contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Bonds. Only these advisers are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in conjunction with the taxation sections of this Prospectus.

2.4.2 The proposed financial transactions tax (FTT)

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear.

Additional EU Member States may decide to participate and/or participating Member States may decide to withdraw. Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

TERMS AND CONDITIONS OF THE 2025 BONDS

The terms and conditions of the 2025 Bonds (the “2025 Terms and Conditions”) will be as follows:

The issuance of the €750,000,000 0.875 per cent. Bonds due 2025 (the “**2025 Bonds**”) of Compagnie Générale des Établissements Michelin (the “**Issuer**”) has been authorised by the *Président de la Gérance* of the Issuer on August 29, 2018, pursuant to the eighth (8th) resolution of the Combined General Meeting of the Issuer adopted on May 18, 2018. The Issuer entered into an Agency Agreement dated August 30, 2018 (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) with CACEIS Corporate Trust as fiscal agent and paying agent (the “**Fiscal Agent**”, the “**Paying Agent**” and, together with any other paying agents appointed from time to time, the “**Paying Agents**”, which term shall include successors) and as calculation agent (the “**Calculation Agent**”, which term shall include successors).

1. Form, Denomination and Title

1.1 Form and Denomination

The 2025 Bonds will be issued on September 3, 2018 (the “**Issue Date**”) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each.

Title to the 2025 Bonds will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the 2025 Bonds.

The 2025 Bonds will, upon issue, be inscribed in book entry form in the books of Euroclear France (“**Euroclear France**”) (acting as central depository), which shall credit the accounts of the Account Holders.

For the purpose of these 2025 Terms and Conditions, “**Account Holders**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking, S.A. (“**Clearstream**”).

1.2 Title

Title to the 2025 Bonds will pass upon, and transfer of 2025 Bonds may only be effected through, registration of the transfer in the accounts of Account Holders.

2. Status

The 2025 Bonds and any interest payable under the 2025 Bonds are direct, general, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other unsecured and unsubordinated debts and guarantees, present or future, of the Issuer.

3. Negative Pledge

So long as any of the 2025 Bonds remains outstanding (as defined below), the Issuer will not grant to holders of other present or future bonds (*obligations*) which are issued by the Issuer and are, or may be, listed or admitted to trading on a regulated market or any other stock market, any mortgage (*hypothèque*) over the Issuer’s present or future assets or real property interests, nor any other security (*sûreté réelle*) on the Issuer’s present or future assets

or its income, unless at the same time or prior thereto, the Issuer's obligations under the 2025 Bonds are equally or rateably secured therewith.

Such undertaking is given only in relation to security interests given for the benefit of other bondholders and does not affect in any way the right of the Issuer to dispose of its assets or to grant any security in respect of such assets in any other circumstance.

For the purposes of these 2025 Terms and Conditions:

“**outstanding**” means, in relation to the 2025 Bonds, all the 2025 Bonds issued other than (a) those that have been redeemed in accordance with these 2025 Terms and Conditions, (b) those in respect of which the date for redemption has occurred and the redemption monies (including all interest accrued on such 2025 Bonds to the date for such redemption or any interest payable after such date) have been duly paid to the relevant Account Holders on behalf of the holders of the 2025 Bonds (the “**2025 Bondholders**”) as provided in Condition 5.1 (*Method of Payment*), (c) those in respect of which claims have become prescribed under Condition 8 (*Prescription*) and (d) those which have been purchased and cancelled as provided in these 2025 Terms and Conditions.

4. Interest

4.1 Interest Payment Dates

The 2025 Bonds bear interest from and including the Issue Date. The 2025 Bonds bear interest on their outstanding principal amount from time to time at the rate of 0.875 per cent. per annum, payable annually in arrears on September 3 in each year (each, an “**Interest Payment Date**”) commencing on September 3, 2019.

The amount of interest payable in respect of each 2025 Bond on each Interest Payment Date shall be €875.

4.2 Interest Accrual

Each 2025 Bond will cease to bear interest from and including the due date for redemption unless the Issuer defaults in making due provision for their redemption on said date. In such event, the 2025 Bonds will continue to bear interest in accordance with this Condition 4 (both before and after judgment, as the case may be) until the calendar day (included) on which all sums in respect of such 2025 Bonds up to that calendar day are received by or on behalf of the relevant holder.

4.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on an Actual/Actual (ICMA) basis for each period, that is to say the actual number of calendar days elapsed during the relevant period divided by 365 (or by 366 if a February 29 is included in such period), the result being rounded to the nearest cent (half a cent being rounded upwards).

5. Payments

5.1 Method of Payment

Payments of principal and interest in respect of the 2025 Bonds shall be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. “**TARGET System**” means the Trans European Automated Real Time Gross Settlement Express Transfer system (known as TARGET2) or any successor thereto.

Such payments shall be made for the benefit of the 2025 Bondholders to the Account Holders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

5.2 Payments subject to fiscal laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commission or expenses shall be charged to the 2025 Bondholders in respect of such payments.

5.3 Initial Paying and Calculation Agent

The Issuer reserves the right at any time to vary or terminate the appointment of a Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents or a successor Calculation Agent, provided that the Issuer will at all times maintain a Fiscal Agent and a Calculation Agent with a specified office in a principal financial centre in the European Union.

Notice of any termination or appointment and of any changes in any Paying Agent or Calculation Agent or their respective specified offices will promptly be given by the Issuer to the 2025 Bondholders in accordance with Condition 11 (*Notices*).

The name of the initial Paying Agent and Calculation Agent and its initial specified office is set out below:

CACEIS CORPORATE TRUST
14, rue Rouget de Lisle
92130 Issy-les-Moulineaux
France

5.4 Non-business days

If any date for payment in respect of any 2025 Bond is not a Business Day (as defined below), the 2025 Bondholder shall not be entitled to payment until the next following Business Day nor to any sum in respect of such postponed payment.

In these 2025 Terms and Conditions:

“**Business Day**” means, any calendar day, not being a Saturday or a Sunday on which the TARGET System is operating.

6. Redemption and Purchase

6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the 2025 Bonds will be redeemed at their principal amount on September 3, 2025 (the “**Maturity Date**”), subject as provided in Condition 5 (*Payments*).

6.2 Redemption for Taxation Reasons

- (i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the 2025 Bonds, not be able to make such payment without having to pay additional amounts as specified in Condition 7 (*Taxation*) below, the Issuer may, at its option, at any time, subject to having given not less than thirty (30) nor more than sixty (60) days’ notice to the 2025 Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the 2025 Bonds then outstanding, at their principal amount plus any interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the

Issuer could make payment of principal or any other payment due in respect of the 2025 Bonds without withholding or deduction for French taxes.

- (ii) If the Issuer would on the occasion of the next payment of principal or any other payment in respect of the 2025 Bonds be prevented by French law or by any official application or interpretation of such law from making payment to the 2025 Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 (*Taxation*) below, then the Issuer shall give notice of such fact to the Fiscal Agent and having given not less than seven (7) days' prior notice to the 2025 Bondholders in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the 2025 Bonds then outstanding, at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the 2025 Bonds without withholding or deduction for French taxes, or, if such date is past, as soon as practicable thereafter.

6.3 Make Whole Redemption at the option of the Issuer

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not less than fifteen (15) nor more than thirty (30) days' notice to the 2025 Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 11 (*Notices*), redeem the 2025 Bonds in whole, but not in part, at any time prior to their Maturity Date (the "**Make-whole Redemption Date**") at an amount per 2025 Bond calculated by the Calculation Agent (as defined below) and equal to the greater of:

- (a) 100 per cent. of the principal amount of the 2025 Bonds; or
- (b) the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the 2025 Bonds to, but excluding, the Make-whole Redemption Date) discounted to the Make-whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Rate (as defined below) plus 0.150 per cent.,

plus, in each case (a) or (b) above, any interest accrued on the 2025 Bonds to, but excluding, the Make-whole Redemption Date.

The Reference Rate will be published by the Issuer in accordance with Condition 11 (*Notices*).

The Reference Rate is the average of the four (4) quotations given by the Relevant Dealers of the mid-market annual yield of the Reference Bund on the fourth (4th) Business Day (as defined in below) preceding the Make-whole Redemption Date at 11.00 a.m. (Central European Time ("**CET**")).

If the Reference Bund is no longer outstanding, a Similar Security will be chosen by the Calculation Agent at 11.00 a.m. (CET) on the third (3rd) Business Day preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent.

Where:

"Reference Bund" means the 1.000 per cent. Federal Government Bund of Bundesrepublik Deutschland due August 15, 2025 with ISIN DE0001102382;

"Reference Dealers" means each of the four (4) banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues;

"Similar Security" means a reference bond or reference bonds issued by the German Federal Government having an actual or interpolated maturity comparable with the remaining term of the 2025 Bonds that would be utilised,

at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the 2025 Bonds.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6.3 by the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer and the 2025 Bondholders and (in the absence as aforesaid) no liability to the Issuer or the 2025 Bondholders shall attach to the Calculation Agent in connection with the exercise or non-exercise of its powers, duties and discretions.

6.4 Clean-Up Call Option

In the event that eighty (80) per cent. or more in initial aggregate nominal amount of the 2025 Bonds (including any further bonds to be assimilated with the 2025 Bonds pursuant to Condition 12 (*Further Issues*)) have been redeemed or purchased and cancelled, the Issuer may, at its option, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the 2025 Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem the outstanding 2025 Bonds, in whole but not in part, at their principal amount plus accrued interest up to but excluding the date fixed for redemption.

6.5 Residual maturity call at the option of the Issuer

The Issuer may, on giving not less than fifteen (15) nor more than thirty (30) days' notice to the 2025 Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem, at any time as from and including three (3) months to but excluding the Maturity Date, the 2025 Bonds, in whole but not in part, at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

6.6 Change of control redemption at the option of 2025 Bondholders

If at any time while any 2025 Bond remains outstanding there occurs a Change of Control (as defined below), the holder of each 2025 Bond will have the option (unless, prior to the giving of the Put Change of Control Notice referred to below, the Issuer gives notice of its intention to redeem the 2025 Bonds under Condition 6.3 (*Make Whole Redemption at the option of the Issuer*)) to require the Issuer to redeem that 2025 Bond or, at the Issuer's option, to procure the purchase of that 2025 Bond on the date determined by the Issuer and notified to the 2025 Bondholders in accordance with Condition 11 (*Notices*) (the **"Put Change of Control Settlement Date"**, which date shall be within a period of not less than sixty (60) nor more than ninety (90) days following the Put Change of Control Notice or, if the Issuer fails to give a Put Change of Control Notice within fifty (15) days of the occurrence of a Change of Control, within a period of not less than ninety (90) nor more than one hundred and twenty (120) days following the occurrence of a Change of Control) at its principal amount, together with (or, where purchased, together with an amount equal to) interest accrued to but excluding such Put Change of Control Settlement Date.

Promptly upon the occurrence of a Change of Control, the Issuer shall give notice (a **"Put Change of Control Notice"**) to the 2025 Bondholders in accordance with Condition 11 (*Notices*) specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 6.6.

In order to exercise the option contained in this Condition 6.6, the 2025 Bondholder must, not less than thirty (30) nor more than sixty (60) days before the relevant Put Change of Control Settlement Date, deposit with any Paying Agent such 2025 Bond and a duly completed put option notice (a **"Put Option Notice"**) in the form obtainable from any Paying Agent. The Paying Agent with which a 2025 Bond is so deposited shall deliver a duly completed receipt for such 2025 Bond (a **"Put Option Receipt"**) to the depositing 2025 Bondholder. No 2025 Bond, once deposited with a duly completed Put Option Notice in accordance with this Condition 6.6, may be withdrawn; provided, however, that if, prior to the relevant Put Change of Control Settlement Date, any such 2025 Bond becomes immediately due and payable or, upon due presentation of such 2025 Bond on the relevant Put Change of Control Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant

Paying Agent shall mail notification thereof to the depositing 2025 Bondholder at such address as may have been given by such 2025 Bondholder in the relevant Put Option Notice and shall hold such 2025 Bond at its specified office for collection by the depositing 2025 Bondholder against surrender of the relevant Put Option Receipt. For so long as any outstanding 2025 Bond is held by a Paying Agent in accordance with this Condition 6.6, the depositor of such 2025 Bond and not such Paying Agent shall be deemed to be the holder of such 2025 Bond for all purposes.

A “**Change of Control**” shall be deemed to have occurred at each time that any person or persons acting in concert come(s) to own or acquire(s) (i) more than 50 per cent. of the issued share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights at ordinary or extraordinary general meetings of Shareholders.

6.7 No other redemption

The Issuer shall not be entitled to redeem the 2025 Bonds otherwise than as provided in Conditions 6.1 to 6.5 above.

6.8 Purchases

The Issuer or any of its subsidiaries may at any time purchase the 2025 Bonds in the open market or otherwise (including by way of tender offer) at any price and on any condition, subject to compliance with any applicable laws. 2025 Bonds so purchased by the Issuer may be cancelled or held and resold in accordance with Articles L.213-0-1 and D.213-0-1 of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the 2025 Bonds.

6.9 Cancellations

All 2025 Bonds so redeemed or purchased by the Issuer or any of its subsidiaries shall be cancelled and may not be reissued or resold.

7. Taxation

7.1 Payment without Withholding

All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the 2025 Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

7.2 Additional Amounts

If French law should require that any payments of principal, interest and/or other assimilated revenues in respect of the 2025 Bonds by the Issuer be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, assessments or governmental charges of whatever nature, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the 2025 Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any 2025 Bond to, or to a third party on behalf of, a 2025 Bondholder who is subject to such taxes or duties, assessments or governmental charges in respect of such 2025 Bond by reason of his having some connection with the Republic of France other than the mere holding of the 2025 Bond.

Any references in these 2025 Terms and Conditions to any amount payable by or on behalf of the Issuer in respect of the 2025 Bonds shall be deemed to also refer to any additional amounts which may be payable under the provisions of this Condition 7.

8. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the 2025 Bonds shall become prescribed ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined below).

For the purpose of this Condition 8, “**Relevant Date**” means, in respect of any 2025 Bond:

- (i) the date on which any payment in respect of it first becomes due; or
- (ii) if any payment is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given by the Issuer to the 2025 Bondholders in accordance with Condition 11 (*Notices*) that such payment will be made.

9. Events of Default

The Representative (as defined in Condition 10 (*Representation of the 2025 Bondholders*)) may require, upon a decision of the 2025 Bondholders’ General Meeting (as defined in Condition 10 (*Representation of the 2025 Bondholders*)) in compliance with quorum and majority conditions provided by French law, in writing in a letter addressed to the Issuer and with a copy to the Paying Agent, that all the 2025 Bonds be redeemed at their principal amount together with interest accrued to but excluding the date fixed for early redemption (such date being the date on which such notice for payment is received by the Paying Agent), on the occurrence of any of the following events (each an “**Event of Default**”):

- (a) in the event of a failure by the Issuer to comply with any of its obligations under the 2025 Terms and Conditions if this failure is not remedied within 10 Business Days as from the reception by the Issuer of the written notification of the aforesaid failure given by the Representative;
- (b) in the event of a default by the Issuer in the payment of one or more other financial debts or guarantee of financial debts of the Issuer, for a total amount in excess of €50 million, on their due date as such date may have been extended by any applicable grace period;
- (c) if an early redemption resulting from a failure in respect of obligations under the terms of any other financial debt of the Issuer, for a total amount in excess of €50 million, has occurred and where the aforementioned financial debt would become due and payable prior to its stated maturity; or
- (d) to the extent permitted by the then applicable laws, if the Issuer becomes the subject of conciliation proceedings (*procédure de conciliation*) pursuant to Articles L.611-4 et seq. of the French *Code de commerce*, a preservation procedure (*procédure de sauvegarde*) pursuant to Article L.620-1 et seq. of the French *Code de commerce*, is in liquidation, becomes the subject of a judicial liquidation (*liquidation judiciaire*) procedure or a transfer as a whole of the business or any other similar measure or equivalent proceeding.

10. Representation of the 2025 Bondholders

The 2025 Bondholders will be grouped automatically for the defence of their common interests in a *Masse* which will be subject to the provisions of this Condition 10 below. The *Masse* will be governed by the provisions of the French *Code de commerce* with the exception of Articles L. 228-48, L. 228-59, R.228-61, R. 228-63, R. 228-67, R. 228-69, R.228-79 paragraph 1 and R.236-11, subject to the following provisions:

- (a) *Legal Personality*

The *Masse* will be a separate legal entity and will act in part through the Representative and in part through the general meeting of the 2025 Bondholders (the “**General Meeting**”).

The *Masse* alone, to the exclusion of all individual 2025 Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the 2025 Bonds.

(b) *Representative*

The office of Representative of the *Masse* (the “**Representative**”) may be conferred on a person of any nationality who agrees to perform such function.

The following person is designated as Representative:

ÆTHER Financial Services
36, rue de Monceau
75008 Paris
France

agency@aetherfs.com

The Issuer shall pay to the Representative an amount of €400 per year so long as any of the 2025 Bonds is outstanding.

In the event of death, retirement, dissolution or revocation of appointment of the Representative, an alternate representative will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative at the head office of the Issuer and the specified offices of any of the Paying Agent.

(c) *Powers of Representative*

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the 2025 Bondholders.

All legal proceedings against the 2025 Bondholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) *General Meeting*

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more 2025 Bondholders, holding together at least one-thirtieth of the principal amount of the 2025 Bonds outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the 2025 Bondholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 11 (*Notices*).

Each 2025 Bondholder has the right to participate in a General Meeting in person, by proxy correspondence, or by videoconference or any other means of telecommunication allowing the identification of the participating 2025 Bondholders as provided *mutatis mutandis* by Article R.225-97 of the French *Code de commerce*. Each 2025 Bond carries the right to one vote.

(e) *Powers of the General Meetings*

The General Meeting is empowered to deliberate on the dismissal, replacement, and the remuneration of the Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the 2025 Bonds, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the 2025 Terms and Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of 2025 Bondholders, nor establish any unequal treatment between the 2025 Bondholders, nor decide to convert 2025 Bonds into shares.

General Meetings may deliberate validly on first convocation only if 2025 Bondholders present or represented hold at least a fifth of the principal amount of the 2025 Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by the 2025 Bondholders attending such General Meetings or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the right of each 2025 Bondholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such 2025 Bondholder as of midnight, Paris time, on the second Business Day preceding the date set for the meeting of the relevant General Meeting.

(f) *Written Resolutions*

Pursuant to Article L.228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the 2025 Bondholders by way of a Written Resolution. Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the 2025 Bondholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce* approval of a Written Resolution may also be given by way of electronic communication allowing the identification of 2025 Bondholders (“**Electronic Consent**”).

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 11 (*Notices*) not less than fifty (15) days prior to the date fixed for the passing of such Written Resolution (the “**Written Resolution Date**”). Notices seeking the approval of a Written Resolution will contain the conditions of form and time limits to be complied with by the 2025 Bondholders who wish to express their approval or rejection of such proposed Written Resolution. 2025 Bondholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their 2025 Bonds until after the Written Resolution Date. For the purpose hereof, a “**Written Resolution**” means a resolution in writing signed by the 2025 Bondholders of not less than 80 per cent. in nominal amount of the 2025 Bonds outstanding.

(g) *Information to 2025 Bondholders*

Each 2025 Bondholder or Representative thereof will have the right, during the fifteen-day (15) period preceding the holding of the General Meeting on first convocation or the Written Resolution Date and, during the 10-day period preceding the holding of the General Meeting on second convocation, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be prepared in connection with such resolutions, all of which will be available for inspection by the relevant 2025 Bondholders at the registered office of the Issuer, at the specified offices of any of the Paying Agent during normal business hours and at any other place specified in the notice of the General Meeting.

(h) *Expenses*

The Issuer will pay all expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of General Meetings and seeking the approval of a Written Resolution, and, more generally, all administrative expenses resolved upon by the General Meeting.

(i) *Notice of Decisions*

Decisions of the General Meetings and Written Resolutions once approved shall be published in accordance with the provisions set out in Condition 11 (*Notices*).

If and for so long as the 2025 Bonds are held by a sole 2025 Bondholder, such sole 2025 Bondholder shall exercise all the powers, rights and obligations entrusted with the Representative and the General Meeting by the provisions of this Condition 10, as appropriate. Such sole 2025 Bondholder shall hold a register of the decisions it will have taken in this capacity and shall make them available, upon request, to any subsequent holder of all or part of the 2025 Bonds. For the avoidance of doubt, in this case, the Representative and the General Meeting shall not exercise such powers, rights and obligations until the 2025 Bonds are held by more than one 2025 Bondholder.

11. Notices

Notices to the 2025 Bondholders shall be valid if delivered to the 2025 Bondholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the 2025 Bonds are cleared through such clearing systems and published on the website of the Issuer (www.michelin.com) and, so long as the 2025 Bonds are admitted to trading on Euronext Paris and the rules of that stock exchange so require, published in a leading daily newspaper having general circulation in France (which is expected to be *Les Echos*) or on the website of Euronext Paris (www.euronext.com). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

12. Further Issues

The Issuer may from time to time without the consent of the 2025 Bondholders issue further bonds to be consolidated (*assimilables* for the purpose of French Law) and form a single series with the 2025 Bonds provided such 2025 Bonds and the further bonds carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further bonds provide for such assimilation and references in these 2025 Terms and Conditions to “**2025 Bonds**” shall be construed accordingly. In the event of such assimilation, the 2025 Bondholders and the holders of any assimilated bonds will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

13. Hardship (*Imprévision*)

In relation to these 2025 Terms and Conditions, the Issuer, the Representative and each 2025 Bondholder waive any right under Article 1195 of the French *Code civil*.

14. Cancellation (*Caducité*)

If, at any time, any other agreement part of the single transaction (*même opération*) involving the 2025 Bonds, is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction or is terminated for any reason, neither the legality, validity or enforceability of the 2025 Terms and Conditions and the 2025 Bonds shall in any way be affected or impaired thereby and as a result the 2025 Terms and Conditions and the 2025 Bonds shall not become *caducs* for the purposes of Article 1186 of the French *Code civil*.

15. Governing Law and Jurisdiction

15.1 Governing Law

The 2025 Bonds shall be governed by, and shall be construed in accordance with, French law.

15.2 Jurisdiction

Any claim against the Issuer in connection with any 2025 Bonds may be brought before any competent court of the jurisdiction of the Paris Court of Appeal.

TERMS AND CONDITIONS OF THE 2030 BONDS

The terms and conditions of the 2030 Bonds (the “2030 Terms and Conditions”) will be as follows:

The issuance of the €1,000,000,000 1.750 per cent. Bonds due 2030 (the “**2030 Bonds**”) of Compagnie Générale des Établissements Michelin (the “**Issuer**”) has been authorised by the *Président de la Gérance* of the Issuer on August 29, 2018, pursuant to the eighth (8th) resolution of the Combined General Meeting of the Issuer adopted on May 18, 2018. The Issuer entered into an Agency Agreement dated August 30, 2018 (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) with CACEIS Corporate Trust as fiscal agent and paying agent (the “**Fiscal Agent**”, the “**Paying Agent**” and, together with any other paying agents appointed from time to time, the “**Paying Agents**”, which term shall include successors) and as calculation agent (the “**Calculation Agent**”, which term shall include successors).

1. Form, Denomination and Title

1.1 Form and Denomination

The 2030 Bonds will be issued on September 3, 2018 (the “**Issue Date**”) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each.

Title to the 2030 Bonds will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the 2030 Bonds.

The 2030 Bonds will, upon issue, be inscribed in book entry form in the books of Euroclear France (“**Euroclear France**”) (acting as central depositary), which shall credit the accounts of the Account Holders.

For the purpose of these 2030 Terms and Conditions, “**Account Holders**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, S.A. (“**Clearstream**”).

1.2 Title

Title to the 2030 Bonds will pass upon, and transfer of 2030 Bonds may only be effected through, registration of the transfer in the accounts of Account Holders.

2. Status

The 2030 Bonds and any interest payable under the 2030 Bonds are direct, general, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other unsecured and unsubordinated debts and guarantees, present or future, of the Issuer.

3. Negative Pledge

So long as any of the 2030 Bonds remains outstanding (as defined below), the Issuer will not grant to holders of other present or future bonds (*obligations*) which are issued by the Issuer and are, or may be, listed or admitted to trading on a regulated market or any other stock market, any mortgage (*hypothèque*) over the Issuer’s present or future assets or real property interests, nor any other security (*sûreté réelle*) on the Issuer’s present or future assets

or its income, unless at the same time or prior thereto, the Issuer's obligations under the 2030 Bonds are equally or rateably secured therewith.

Such undertaking is given only in relation to security interests given for the benefit of other bondholders and does not affect in any way the right of the Issuer to dispose of its assets or to grant any security in respect of such assets in any other circumstance.

For the purposes of these 2030 Terms and Conditions:

“**outstanding**” means, in relation to the 2030 Bonds, all the 2030 Bonds issued other than (a) those that have been redeemed in accordance with these 2030 Terms and Conditions, (b) those in respect of which the date for redemption has occurred and the redemption monies (including all interest accrued on such 2030 Bonds to the date for such redemption or any interest payable after such date) have been duly paid to the relevant Account Holders on behalf of the holders of the 2030 Bonds (the “**2030 Bondholders**”) as provided in Condition 5.1 (*Method of Payment*), (c) those in respect of which claims have become prescribed under Condition 8 (*Prescription*) and (d) those which have been purchased and cancelled as provided in these 2030 Terms and Conditions.

4. Interest

4.1 Interest Payment Dates

The 2030 Bonds bear interest from and including the Issue Date. The 2030 Bonds bear interest on their outstanding principal amount from time to time at the rate of 1.750 per cent. per annum, payable annually in arrears on September 3 in each year (each, an “**Interest Payment Date**”) commencing on September 3, 2019.

The amount of interest payable in respect of each 2030 Bond on each Interest Payment Date shall be €1,750.

4.2 Interest Accrual

Each 2030 Bond will cease to bear interest from and including the due date for redemption unless the Issuer defaults in making due provision for their redemption on said date. In such event, the 2030 Bonds will continue to bear interest in accordance with this Condition 4 (both before and after judgment, as the case may be) until the calendar day (included) on which all sums in respect of such 2030 Bonds up to that calendar day are received by or on behalf of the relevant holder.

4.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on an Actual/Actual (ICMA) basis for each period, that is to say the actual number of calendar days elapsed during the relevant period divided by 365 (or by 366 if a February 29 is included in such period), the result being rounded to the nearest cent (half a cent being rounded upwards).

5. Payments

5.1 Method of Payment

Payments of principal and interest in respect of the 2030 Bonds shall be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. “**TARGET System**” means the Trans European Automated Real Time Gross Settlement Express Transfer system (known as TARGET2) or any successor thereto.

Such payments shall be made for the benefit of the 2030 Bondholders to the Account Holders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

5.2 Payments subject to fiscal laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commission or expenses shall be charged to the 2030 Bondholders in respect of such payments.

5.3 Initial Paying and Calculation Agent

The Issuer reserves the right at any time to vary or terminate the appointment of a Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents or a successor Calculation Agent, provided that the Issuer will at all times maintain a Fiscal Agent and a Calculation Agent with a specified office in a principal financial centre in the European Union.

Notice of any termination or appointment and of any changes in any Paying Agent or Calculation Agent or their respective specified offices will promptly be given by the Issuer to the 2030 Bondholders in accordance with Condition 11 (*Notices*).

The name of the initial Paying Agent and Calculation Agent and its initial specified office is set out below:

CACEIS CORPORATE TRUST
14, rue Rouget de Lisle
92130 Issy-les-Moulineaux
France

5.4 Non-business days

If any date for payment in respect of any 2030 Bond is not a Business Day (as defined below), the 2030 Bondholder shall not be entitled to payment until the next following Business Day nor to any sum in respect of such postponed payment.

In these 2030 Terms and Conditions:

“**Business Day**” means, any calendar day, not being a Saturday or a Sunday on which the TARGET System is operating.

6. Redemption and Purchase

6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the 2030 Bonds will be redeemed at their principal amount on September 3, 2030 (the “**Maturity Date**”), subject as provided in Condition 5 (*Payments*).

6.2 Redemption for Taxation Reasons

- (i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the 2030 Bonds, not be able to make such payment without having to pay additional amounts as specified in Condition 7 (*Taxation*) below, the Issuer may, at its option, at any time, subject to having given not less than thirty (30) nor more than sixty (60) days’ notice to the 2030 Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the 2030 Bonds then outstanding, at their principal amount plus any interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the

Issuer could make payment of principal or any other payment due in respect of the 2030 Bonds without withholding or deduction for French taxes.

- (ii) If the Issuer would on the occasion of the next payment of principal or any other payment in respect of the 2030 Bonds be prevented by French law or by any official application or interpretation of such law from making payment to the 2030 Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 (*Taxation*) below, then the Issuer shall give notice of such fact to the Fiscal Agent and having given not less than seven (7) days' prior notice to the 2030 Bondholders in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the 2030 Bonds then outstanding, at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the 2030 Bonds without withholding or deduction for French taxes, or, if such date is past, as soon as practicable thereafter.

6.3 Make Whole Redemption at the option of the Issuer

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not less than fifteen (15) nor more than thirty (30) days' notice to the 2030 Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 11 (*Notices*), redeem the 2030 Bonds in whole, but not in part, at any time prior to their Maturity Date (the "**Make-whole Redemption Date**") at an amount per 2030 Bond calculated by the Calculation Agent (as defined below) and equal to the greater of:

- (a) 100 per cent. of the principal amount of the 2030 Bonds; or
- (b) the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the 2030 Bonds to, but excluding, the Make-whole Redemption Date) discounted to the Make-whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Rate (as defined below) plus 0.250 per cent.,

plus, in each case (a) or (b) above, any interest accrued on the 2030 Bonds to, but excluding, the Make-whole Redemption Date.

The Reference Rate will be published by the Issuer in accordance with Condition 11 (*Notices*).

The Reference Rate is the average of the four (4) quotations given by the Relevant Dealers of the mid-market annual yield of the Reference Bund on the fourth (4th) Business Day (as defined in below) preceding the Make-whole Redemption Date at 11.00 a.m. (Central European Time ("**CET**")).

If the Reference Bund is no longer outstanding, a Similar Security will be chosen by the Calculation Agent at 11.00 a.m. (CET) on the third (3rd) Business Day preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent.

Where:

"Reference Bund" means the 0.250 per cent. Federal Government Bund of Bundesrepublik Deutschland due August 15, 2028 with ISIN DE0001102457;

"Reference Dealers" means each of the four (4) banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues;

"Similar Security" means a reference bond or reference bonds issued by the German Federal Government having an actual or interpolated maturity comparable with the remaining term of the 2030 Bonds that would be utilised,

at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the 2030 Bonds.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6.3 by the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer and the 2030 Bondholders and (in the absence as aforesaid) no liability to the Issuer or the 2030 Bondholders shall attach to the Calculation Agent in connection with the exercise or non-exercise of its powers, duties and discretions.

6.4 Clean-Up Call Option

In the event that eighty (80) per cent. or more in initial aggregate nominal amount of the 2030 Bonds (including any further bonds to be assimilated with the 2030 Bonds pursuant to Condition 12 (*Further Issues*)) have been redeemed or purchased and cancelled, the Issuer may, at its option, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the 2030 Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem the outstanding 2030 Bonds, in whole but not in part, at their principal amount plus accrued interest up to but excluding the date fixed for redemption.

6.5 Residual maturity call at the option of the Issuer

The Issuer may, on giving not less than fifteen (15) nor more than thirty (30) days' notice to the 2030 Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem, at any time as from and including three (3) months to but excluding the Maturity Date, the 2030 Bonds, in whole but not in part, at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

6.6 Change of control redemption at the option of 2030 Bondholders

If at any time while any 2030 Bond remains outstanding there occurs a Change of Control (as defined below), the holder of each 2030 Bond will have the option (unless, prior to the giving of the Put Change of Control Notice referred to below, the Issuer gives notice of its intention to redeem the 2030 Bonds under Condition 6.3 (*Make Whole Redemption at the option of the Issuer*)) to require the Issuer to redeem that 2030 Bond or, at the Issuer's option, to procure the purchase of that 2030 Bond on the date determined by the Issuer and notified to the 2030 Bondholders in accordance with Condition 11 (*Notices*) (the **"Put Change of Control Settlement Date"**, which date shall be within a period of not less than sixty (60) nor more than ninety (90) days following the Put Change of Control Notice or, if the Issuer fails to give a Put Change of Control Notice within fifty (15) days of the occurrence of a Change of Control, within a period of not less than ninety (90) nor more than one hundred and twenty (120) days following the occurrence of a Change of Control) at its principal amount, together with (or, where purchased, together with an amount equal to) interest accrued to but excluding such Put Change of Control Settlement Date.

Promptly upon the occurrence of a Change of Control, the Issuer shall give notice (a **"Put Change of Control Notice"**) to the 2030 Bondholders in accordance with Condition 11 (*Notices*) specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 6.6.

In order to exercise the option contained in this Condition 6.6, the 2030 Bondholder must, not less than thirty (30) nor more than sixty (60) days before the relevant Put Change of Control Settlement Date, deposit with any Paying Agent such 2030 Bond and a duly completed put option notice (a **"Put Option Notice"**) in the form obtainable from any Paying Agent. The Paying Agent with which a 2030 Bond is so deposited shall deliver a duly completed receipt for such 2030 Bond (a **"Put Option Receipt"**) to the depositing 2030 Bondholder. No 2030 Bond, once deposited with a duly completed Put Option Notice in accordance with this Condition 6.6, may be withdrawn; provided, however, that if, prior to the relevant Put Change of Control Settlement Date, any such 2030 Bond becomes immediately due and payable or, upon due presentation of such 2030 Bond on the relevant Put Change of Control Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant

Paying Agent shall mail notification thereof to the depositing 2030 Bondholder at such address as may have been given by such 2030 Bondholder in the relevant Put Option Notice and shall hold such 2030 Bond at its specified office for collection by the depositing 2030 Bondholder against surrender of the relevant Put Option Receipt. For so long as any outstanding 2030 Bond is held by a Paying Agent in accordance with this Condition 6.6, the depositor of such 2030 Bond and not such Paying Agent shall be deemed to be the holder of such 2030 Bond for all purposes.

A “**Change of Control**” shall be deemed to have occurred at each time that any person or persons acting in concert come(s) to own or acquire(s) (i) more than 50 per cent. of the issued share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights at ordinary or extraordinary general meetings of Shareholders.

6.7 No other redemption

The Issuer shall not be entitled to redeem the 2030 Bonds otherwise than as provided in Conditions 6.1 to 6.5 above.

6.8 Purchases

The Issuer or any of its subsidiaries may at any time purchase the 2030 Bonds in the open market or otherwise (including by way of tender offer) at any price and on any condition, subject to compliance with any applicable laws. 2030 Bonds so purchased by the Issuer may be cancelled or held and resold in accordance with Articles L.213-0-1 and D.213-0-1 of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the 2030 Bonds.

6.9 Cancellations

All 2030 Bonds so redeemed or purchased by the Issuer or any of its subsidiaries shall be cancelled and may not be reissued or resold.

7. Taxation

7.1 Payment without Withholding

All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the 2030 Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

7.2 Additional Amounts

If French law should require that any payments of principal, interest and/or other assimilated revenues in respect of the 2030 Bonds by the Issuer be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, assessments or governmental charges of whatever nature, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the 2030 Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any 2030 Bond to, or to a third party on behalf of, a 2030 Bondholder who is subject to such taxes or duties, assessments or governmental charges in respect of such 2030 Bond by reason of his having some connection with the Republic of France other than the mere holding of the 2030 Bond.

Any references in these 2030 Terms and Conditions to any amount payable by or on behalf of the Issuer in respect of the 2030 Bonds shall be deemed to also refer to any additional amounts which may be payable under the provisions of this Condition 7.

8. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the 2030 Bonds shall become prescribed ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined below).

For the purpose of this Condition 8, “**Relevant Date**” means, in respect of any 2030 Bond:

- (i) the date on which any payment in respect of it first becomes due; or
- (ii) if any payment is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given by the Issuer to the 2030 Bondholders in accordance with Condition 11 (*Notices*) that such payment will be made.

9. Events of Default

The Representative (as defined in Condition 10 (*Representation of the 2030 Bondholders*)) may require, upon a decision of the 2030 Bondholders’ General Meeting (as defined in Condition 10 (*Representation of the 2030 Bondholders*)) in compliance with quorum and majority conditions provided by French law, in writing in a letter addressed to the Issuer and with a copy to the Paying Agent, that all the 2030 Bonds be redeemed at their principal amount together with interest accrued to but excluding the date fixed for early redemption (such date being the date on which such notice for payment is received by the Paying Agent), on the occurrence of any of the following events (each an “**Event of Default**”):

- (a) in the event of a failure by the Issuer to comply with any of its obligations under the 2030 Terms and Conditions if this failure is not remedied within 10 Business Days as from the reception by the Issuer of the written notification of the aforesaid failure given by the Representative;
- (b) in the event of a default by the Issuer in the payment of one or more other financial debts or guarantee of financial debts of the Issuer, for a total amount in excess of €50 million, on their due date as such date may have been extended by any applicable grace period;
- (c) if an early redemption resulting from a failure in respect of obligations under the terms of any other financial debt of the Issuer, for a total amount in excess of €50 million, has occurred and where the aforementioned financial debt would become due and payable prior to its stated maturity; or
- (d) to the extent permitted by the then applicable laws, if the Issuer becomes the subject of conciliation proceedings (*procédure de conciliation*) pursuant to Articles L.611-4 et seq. of the French *Code de commerce*, a preservation procedure (*procédure de sauvegarde*) pursuant to Article L.620-1 et seq. of the French *Code de commerce*, is in liquidation, becomes the subject of a judicial liquidation (*liquidation judiciaire*) procedure or a transfer as a whole of the business or any other similar measure or equivalent proceeding.

10. Representation of the 2030 Bondholders

The 2030 Bondholders will be grouped automatically for the defence of their common interests in a *Masse* which will be subject to the provisions of this Condition 10 below. The *Masse* will be governed by the provisions of the French *Code de commerce* with the exception of Articles L. 228-48, L. 228-59, R.228-61, R. 228-63, R. 228-67, R. 228-69, R.228-79 paragraph 1 and R.236-11, subject to the following provisions:

- (a) *Legal Personality*

The *Masse* will be a separate legal entity and will act in part through the Representative and in part through the general meeting of the 2030 Bondholders (the “**General Meeting**”).

The *Masse* alone, to the exclusion of all individual 2030 Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the 2030 Bonds.

(b) *Representative*

The office of Representative of the *Masse* (the “**Representative**”) may be conferred on a person of any nationality who agrees to perform such function.

The following person is designated as Representative:

ÆTHER Financial Services
36, rue de Monceau
75008 Paris
France

agency@aetherfs.com

The Issuer shall pay to the Representative an amount of €400 per year so long as any of the 2030 Bonds is outstanding.

In the event of death, retirement, dissolution or revocation of appointment of the Representative, an alternate representative will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative at the head office of the Issuer and the specified offices of any of the Paying Agent.

(c) *Powers of Representative*

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the 2030 Bondholders.

All legal proceedings against the 2030 Bondholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) *General Meeting*

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more 2030 Bondholders, holding together at least one-thirtieth of the principal amount of the 2030 Bonds outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the 2030 Bondholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 11 (*Notices*).

Each 2030 Bondholder has the right to participate in a General Meeting in person, by proxy correspondence, or by videoconference or any other means of telecommunication allowing the identification of the participating 2030 Bondholders as provided *mutatis mutandis* by Article R.225-97 of the French *Code de commerce*. Each 2030 Bond carries the right to one vote.

(e) *Powers of the General Meetings*

The General Meeting is empowered to deliberate on the dismissal, replacement, and the remuneration of the Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the 2030 Bonds, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the 2030 Terms and Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of 2030 Bondholders, nor establish any unequal treatment between the 2030 Bondholders, nor decide to convert 2030 Bonds into shares.

General Meetings may deliberate validly on first convocation only if 2030 Bondholders present or represented hold at least a fifth of the principal amount of the 2030 Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by the 2030 Bondholders attending such General Meetings or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the right of each 2030 Bondholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such 2030 Bondholder as of midnight, Paris time, on the second Business Day preceding the date set for the meeting of the relevant General Meeting.

(f) *Written Resolutions*

Pursuant to Article L.228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the 2030 Bondholders by way of a Written Resolution. Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the 2030 Bondholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce* approval of a Written Resolution may also be given by way of electronic communication allowing the identification of 2030 Bondholders (“**Electronic Consent**”).

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 11 (*Notices*) not less than fifty (15) days prior to the date fixed for the passing of such Written Resolution (the “**Written Resolution Date**”). Notices seeking the approval of a Written Resolution will contain the conditions of form and time limits to be complied with by the 2030 Bondholders who wish to express their approval or rejection of such proposed Written Resolution. 2030 Bondholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their 2030 Bonds until after the Written Resolution Date. For the purpose hereof, a “**Written Resolution**” means a resolution in writing signed by the 2030 Bondholders of not less than 80 per cent. in nominal amount of the 2030 Bonds outstanding.

(g) *Information to 2030 Bondholders*

Each 2030 Bondholder or Representative thereof will have the right, during the fifteen-day (15) period preceding the holding of the General Meeting on first convocation or the Written Resolution Date and, during the 10-day period preceding the holding of the General Meeting on second convocation, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be prepared in connection with such resolutions, all of which will be available for inspection by the relevant 2030 Bondholders at the registered office of the Issuer, at the specified offices of any of the Paying Agent during normal business hours and at any other place specified in the notice of the General Meeting.

(h) *Expenses*

The Issuer will pay all expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of General Meetings and seeking the approval of a Written Resolution, and, more generally, all administrative expenses resolved upon by the General Meeting.

(i) *Notice of Decisions*

Decisions of the General Meetings and Written Resolutions once approved shall be published in accordance with the provisions set out in Condition 11 (*Notices*).

If and for so long as the 2030 Bonds are held by a sole 2030 Bondholder, such sole 2030 Bondholder shall exercise all the powers, rights and obligations entrusted with the Representative and the General Meeting by the provisions of this Condition 10, as appropriate. Such sole 2030 Bondholder shall hold a register of the decisions it will have taken in this capacity and shall make them available, upon request, to any subsequent holder of all or part of the 2030 Bonds. For the avoidance of doubt, in this case, the Representative and the General Meeting shall not exercise such powers, rights and obligations until the 2030 Bonds are held by more than one 2030 Bondholder.

11. Notices

Notices to the 2030 Bondholders shall be valid if delivered to the 2030 Bondholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the 2030 Bonds are cleared through such clearing systems and published on the website of the Issuer (www.michelin.com) and, so long as the 2030 Bonds are admitted to trading on Euronext Paris and the rules of that stock exchange so require, published in a leading daily newspaper having general circulation in France (which is expected to be *Les Echos*) or on the website of Euronext Paris (www.euronext.com). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

12. Further Issues

The Issuer may from time to time without the consent of the 2030 Bondholders issue further bonds to be consolidated (*assimilables* for the purpose of French Law) and form a single series with the 2030 Bonds provided such 2030 Bonds and the further bonds carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further bonds provide for such assimilation and references in these 2030 Terms and Conditions to “**2030 Bonds**” shall be construed accordingly. In the event of such assimilation, the 2030 Bondholders and the holders of any assimilated bonds will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

13. Hardship (*Imprévision*)

In relation to these 2030 Terms and Conditions, the Issuer, the Representative and each 2030 Bondholder waive any right under Article 1195 of the French *Code civil*.

14. Cancellation (*Caducité*)

If, at any time, any other agreement part of the single transaction (*même opération*) involving the 2030 Bonds, is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction or is terminated for any reason, neither the legality, validity or enforceability of the 2030 Terms and Conditions and the 2030 Bonds shall in any way be affected or impaired thereby and as a result the 2030 Terms and Conditions and the 2030 Bonds shall not become *caducs* for the purposes of Article 1186 of the French *Code civil*.

15. Governing Law and Jurisdiction

15.1 Governing Law

The 2030 Bonds shall be governed by, and shall be construed in accordance with, French law.

15.2 Jurisdiction

Any claim against the Issuer in connection with any 2030 Bonds may be brought before any competent court of the jurisdiction of the Paris Court of Appeal.

TERMS AND CONDITIONS OF THE 2038 BONDS

The terms and conditions of the 2038 Bonds (the “2038 Terms and Conditions”) will be as follows:

The issuance of the €750,000,000 2.500 per cent. Bonds due 2038 (the “**2038 Bonds**”) of Compagnie Générale des Établissements Michelin (the “**Issuer**”) has been authorised by the *Président de la Gérance* of the Issuer on August 29, 2018, pursuant to the eighth (8th) resolution of the Combined General Meeting of the Issuer adopted on May 18, 2018. The Issuer entered into an Agency Agreement dated August 30, 2018 (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) with CACEIS Corporate Trust as fiscal agent and paying agent (the “**Fiscal Agent**”, the “**Paying Agent**” and, together with any other paying agents appointed from time to time, the “**Paying Agents**”, which term shall include successors) and as calculation agent (the “**Calculation Agent**”, which term shall include successors).

1. Form, Denomination and Title

1.1 Form and Denomination

The 2038 Bonds will be issued on September 3, 2018 (the “**Issue Date**”) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each.

Title to the 2038 Bonds will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the 2038 Bonds.

The 2038 Bonds will, upon issue, be inscribed in book entry form in the books of Euroclear France (“**Euroclear France**”) (acting as central depositary), which shall credit the accounts of the Account Holders.

For the purpose of these 2038 Terms and Conditions, “**Account Holders**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, S.A. (“**Clearstream**”).

1.2 Title

Title to the 2038 Bonds will pass upon, and transfer of 2038 Bonds may only be effected through, registration of the transfer in the accounts of Account Holders.

2. Status

The 2038 Bonds and any interest payable under the 2038 Bonds are direct, general, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other unsecured and unsubordinated debts and guarantees, present or future, of the Issuer.

3. Negative Pledge

So long as any of the 2038 Bonds remains outstanding (as defined below), the Issuer will not grant to holders of other present or future bonds (*obligations*) which are issued by the Issuer and are, or may be, listed or admitted to trading on a regulated market or any other stock market, any mortgage (*hypothèque*) over the Issuer’s present or future assets or real property interests, nor any other security (*sûreté réelle*) on the Issuer’s present or future assets

or its income, unless at the same time or prior thereto, the Issuer's obligations under the 2038 Bonds are equally or rateably secured therewith.

Such undertaking is given only in relation to security interests given for the benefit of other bondholders and does not affect in any way the right of the Issuer to dispose of its assets or to grant any security in respect of such assets in any other circumstance.

For the purposes of these 2038 Terms and Conditions:

“outstanding” means, in relation to the 2038 Bonds, all the 2038 Bonds issued other than (a) those that have been redeemed in accordance with these 2038 Terms and Conditions, (b) those in respect of which the date for redemption has occurred and the redemption monies (including all interest accrued on such 2038 Bonds to the date for such redemption or any interest payable after such date) have been duly paid to the relevant Account Holders on behalf of the holders of the 2038 Bonds (the **“2038 Bondholders”**) as provided in Condition 5.1 (*Method of Payment*), (c) those in respect of which claims have become prescribed under Condition 8 (*Prescription*) and (d) those which have been purchased and cancelled as provided in these 2038 Terms and Conditions.

4. Interest

4.1 Interest Payment Dates

The 2038 Bonds bear interest from and including the Issue Date. The 2038 Bonds bear interest on their outstanding principal amount from time to time at the rate of 2.500 per cent. per annum, payable annually in arrears on September 3 in each year (each, an **“Interest Payment Date”**) commencing on September 3, 2019.

The amount of interest payable in respect of each 2038 Bond on each Interest Payment Date shall be €2,500.

4.2 Interest Accrual

Each 2038 Bond will cease to bear interest from and including the due date for redemption unless the Issuer defaults in making due provision for their redemption on said date. In such event, the 2038 Bonds will continue to bear interest in accordance with this Condition 4 (both before and after judgment, as the case may be) until the calendar day (included) on which all sums in respect of such 2038 Bonds up to that calendar day are received by or on behalf of the relevant holder.

4.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on an Actual/Actual (ICMA) basis for each period, that is to say the actual number of calendar days elapsed during the relevant period divided by 365 (or by 366 if a February 29 is included in such period), the result being rounded to the nearest cent (half a cent being rounded upwards).

5. Payments

5.1 Method of Payment

Payments of principal and interest in respect of the 2038 Bonds shall be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. **“TARGET System”** means the Trans European Automated Real Time Gross Settlement Express Transfer system (known as TARGET2) or any successor thereto.

Such payments shall be made for the benefit of the 2038 Bondholders to the Account Holders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

5.2 Payments subject to fiscal laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commission or expenses shall be charged to the 2038 Bondholders in respect of such payments.

5.3 Initial Paying and Calculation Agent

The Issuer reserves the right at any time to vary or terminate the appointment of a Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents or a successor Calculation Agent, provided that the Issuer will at all times maintain a Fiscal Agent and a Calculation Agent with a specified office in a principal financial centre in the European Union.

Notice of any termination or appointment and of any changes in any Paying Agent or Calculation Agent or their respective specified offices will promptly be given by the Issuer to the 2038 Bondholders in accordance with Condition 11 (*Notices*).

The name of the initial Paying Agent and Calculation Agent and its initial specified office is set out below:

CACEIS CORPORATE TRUST
14, rue Rouget de Lisle
92130 Issy-les-Moulineaux
France

5.4 Non-business days

If any date for payment in respect of any 2038 Bond is not a Business Day (as defined below), the 2038 Bondholder shall not be entitled to payment until the next following Business Day nor to any sum in respect of such postponed payment.

In these 2038 Terms and Conditions:

“**Business Day**” means, any calendar day, not being a Saturday or a Sunday on which the TARGET System is operating.

6. Redemption and Purchase

6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the 2038 Bonds will be redeemed at their principal amount on September 3, 2038 (the “**Maturity Date**”), subject as provided in Condition 5 (*Payments*).

6.2 Redemption for Taxation Reasons

- (i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the 2038 Bonds, not be able to make such payment without having to pay additional amounts as specified in Condition 7 (*Taxation*) below, the Issuer may, at its option, at any time, subject to having given not less than thirty (30) nor more than sixty (60) days’ notice to the 2038 Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the 2038 Bonds then outstanding, at their principal amount plus any interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the

Issuer could make payment of principal or any other payment due in respect of the 2038 Bonds without withholding or deduction for French taxes.

- (ii) If the Issuer would on the occasion of the next payment of principal or any other payment in respect of the 2038 Bonds be prevented by French law or by any official application or interpretation of such law from making payment to the 2038 Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 (*Taxation*) below, then the Issuer shall give notice of such fact to the Fiscal Agent and having given not less than seven (7) days' prior notice to the 2038 Bondholders in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the 2038 Bonds then outstanding, at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the 2038 Bonds without withholding or deduction for French taxes, or, if such date is past, as soon as practicable thereafter.

6.3 Make Whole Redemption at the option of the Issuer

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not less than fifteen (15) nor more than thirty (30) days' notice to the 2038 Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 11 (*Notices*), redeem the 2038 Bonds in whole, but not in part, at any time prior to their Maturity Date (the "**Make-whole Redemption Date**") at an amount per 2038 Bond calculated by the Calculation Agent (as defined below) and equal to the greater of:

- (a) 100 per cent. of the principal amount of the 2038 Bonds; or
- (b) the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the 2038 Bonds to, but excluding, the Make-whole Redemption Date) discounted to the Make-whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Rate (as defined below) plus 0.300 per cent.,

plus, in each case (a) or (b) above, any interest accrued on the 2038 Bonds to, but excluding, the Make-whole Redemption Date.

The Reference Rate will be published by the Issuer in accordance with Condition 11 (*Notices*).

The Reference Rate is the average of the four (4) quotations given by the Relevant Dealers of the mid-market annual yield of the Reference Bund on the fourth (4th) Business Day (as defined in below) preceding the Make-whole Redemption Date at 11.00 a.m. (Central European Time ("**CET**")).

If the Reference Bund is no longer outstanding, a Similar Security will be chosen by the Calculation Agent at 11.00 a.m. (CET) on the third (3rd) Business Day preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent.

Where:

"Reference Bund" means the 4.000 per cent. Federal Government Bund of Bundesrepublik Deutschland due January 4, 2037 with ISIN DE0001135275;

"Reference Dealers" means each of the four (4) banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues;

"Similar Security" means a reference bond or reference bonds issued by the German Federal Government having an actual or interpolated maturity comparable with the remaining term of the 2038 Bonds that would be utilised,

at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the 2038 Bonds.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6.3 by the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer and the 2038 Bondholders and (in the absence as aforesaid) no liability to the Issuer or the 2038 Bondholders shall attach to the Calculation Agent in connection with the exercise or non-exercise of its powers, duties and discretions.

6.4 Clean-Up Call Option

In the event that eighty (80) per cent. or more in initial aggregate nominal amount of the 2038 Bonds (including any further bonds to be assimilated with the 2038 Bonds pursuant to Condition 12 (*Further Issues*)) have been redeemed or purchased and cancelled, the Issuer may, at its option, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the 2038 Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem the outstanding 2038 Bonds, in whole but not in part, at their principal amount plus accrued interest up to but excluding the date fixed for redemption.

6.5 Residual maturity call at the option of the Issuer

The Issuer may, on giving not less than fifteen (15) nor more than thirty (30) days' notice to the 2038 Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem, at any time as from and including three (3) months to but excluding the Maturity Date, the 2038 Bonds, in whole but not in part, at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

6.6 Change of control redemption at the option of 2038 Bondholders

If at any time while any 2038 Bond remains outstanding there occurs a Change of Control (as defined below), the holder of each 2038 Bond will have the option (unless, prior to the giving of the Put Change of Control Notice referred to below, the Issuer gives notice of its intention to redeem the 2038 Bonds under Condition 6.3 (*Make Whole Redemption at the option of the Issuer*)) to require the Issuer to redeem that 2038 Bond or, at the Issuer's option, to procure the purchase of that 2038 Bond on the date determined by the Issuer and notified to the 2038 Bondholders in accordance with Condition 11 (*Notices*) (the **"Put Change of Control Settlement Date"**, which date shall be within a period of not less than sixty (60) nor more than ninety (90) days following the Put Change of Control Notice or, if the Issuer fails to give a Put Change of Control Notice within fifty (15) days of the occurrence of a Change of Control, within a period of not less than ninety (90) nor more than one hundred and twenty (120) days following the occurrence of a Change of Control) at its principal amount, together with (or, where purchased, together with an amount equal to) interest accrued to but excluding such Put Change of Control Settlement Date.

Promptly upon the occurrence of a Change of Control, the Issuer shall give notice (a **"Put Change of Control Notice"**) to the 2038 Bondholders in accordance with Condition 11 (*Notices*) specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 6.6.

In order to exercise the option contained in this Condition 6.6, the 2038 Bondholder must, not less than thirty (30) nor more than sixty (60) days before the relevant Put Change of Control Settlement Date, deposit with any Paying Agent such 2038 Bond and a duly completed put option notice (a **"Put Option Notice"**) in the form obtainable from any Paying Agent. The Paying Agent with which a 2038 Bond is so deposited shall deliver a duly completed receipt for such 2038 Bond (a **"Put Option Receipt"**) to the depositing 2038 Bondholder. No 2038 Bond, once deposited with a duly completed Put Option Notice in accordance with this Condition 6.6, may be withdrawn; provided, however, that if, prior to the relevant Put Change of Control Settlement Date, any such 2038 Bond becomes immediately due and payable or, upon due presentation of such 2038 Bond on the relevant Put Change of Control Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant

Paying Agent shall mail notification thereof to the depositing 2038 Bondholder at such address as may have been given by such 2038 Bondholder in the relevant Put Option Notice and shall hold such 2038 Bond at its specified office for collection by the depositing 2038 Bondholder against surrender of the relevant Put Option Receipt. For so long as any outstanding 2038 Bond is held by a Paying Agent in accordance with this Condition 6.6, the depositor of such 2038 Bond and not such Paying Agent shall be deemed to be the holder of such 2038 Bond for all purposes.

A “**Change of Control**” shall be deemed to have occurred at each time that any person or persons acting in concert come(s) to own or acquire(s) (i) more than 50 per cent. of the issued share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights at ordinary or extraordinary general meetings of Shareholders.

6.7 No other redemption

The Issuer shall not be entitled to redeem the 2038 Bonds otherwise than as provided in Conditions 6.1 to 6.5 above.

6.8 Purchases

The Issuer or any of its subsidiaries may at any time purchase the 2038 Bonds in the open market or otherwise (including by way of tender offer) at any price and on any condition, subject to compliance with any applicable laws. 2038 Bonds so purchased by the Issuer may be cancelled or held and resold in accordance with Articles L.213-0-1 and D.213-0-1 of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the 2038 Bonds.

6.9 Cancellations

All 2038 Bonds so redeemed or purchased by the Issuer or any of its subsidiaries shall be cancelled and may not be reissued or resold.

7. Taxation

7.1 Payment without Withholding

All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the 2038 Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

7.2 Additional Amounts

If French law should require that any payments of principal, interest and/or other assimilated revenues in respect of the 2038 Bonds by the Issuer be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, assessments or governmental charges of whatever nature, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the 2038 Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any 2038 Bond to, or to a third party on behalf of, a 2038 Bondholder who is subject to such taxes or duties, assessments or governmental charges in respect of such 2038 Bond by reason of his having some connection with the Republic of France other than the mere holding of the 2038 Bond.

Any references in these 2038 Terms and Conditions to any amount payable by or on behalf of the Issuer in respect of the 2038 Bonds shall be deemed to also refer to any additional amounts which may be payable under the provisions of this Condition 7.

8. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the 2038 Bonds shall become prescribed ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined below).

For the purpose of this Condition 8, “**Relevant Date**” means, in respect of any 2038 Bond:

- (i) the date on which any payment in respect of it first becomes due; or
- (ii) if any payment is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given by the Issuer to the 2038 Bondholders in accordance with Condition 11 (*Notices*) that such payment will be made.

9. Events of Default

The Representative (as defined in Condition 10 (*Representation of the 2038 Bondholders*)) may require, upon a decision of the 2038 Bondholders’ General Meeting (as defined in Condition 10 (*Representation of the 2038 Bondholders*)) in compliance with quorum and majority conditions provided by French law, in writing in a letter addressed to the Issuer and with a copy to the Paying Agent, that all the 2038 Bonds be redeemed at their principal amount together with interest accrued to but excluding the date fixed for early redemption (such date being the date on which such notice for payment is received by the Paying Agent), on the occurrence of any of the following events (each an “**Event of Default**”):

- (a) in the event of a failure by the Issuer to comply with any of its obligations under the 2038 Terms and Conditions if this failure is not remedied within 10 Business Days as from the reception by the Issuer of the written notification of the aforesaid failure given by the Representative;
- (b) in the event of a default by the Issuer in the payment of one or more other financial debts or guarantee of financial debts of the Issuer, for a total amount in excess of €50 million, on their due date as such date may have been extended by any applicable grace period;
- (c) if an early redemption resulting from a failure in respect of obligations under the terms of any other financial debt of the Issuer, for a total amount in excess of €50 million, has occurred and where the aforementioned financial debt would become due and payable prior to its stated maturity; or
- (d) to the extent permitted by the then applicable laws, if the Issuer becomes the subject of conciliation proceedings (*procédure de conciliation*) pursuant to Articles L.611-4 et seq. of the French *Code de commerce*, a preservation procedure (*procédure de sauvegarde*) pursuant to Article L.620-1 et seq. of the French *Code de commerce*, is in liquidation, becomes the subject of a judicial liquidation (*liquidation judiciaire*) procedure or a transfer as a whole of the business or any other similar measure or equivalent proceeding.

10. Representation of the 2038 Bondholders

The 2038 Bondholders will be grouped automatically for the defence of their common interests in a *Masse* which will be subject to the provisions of this Condition 10 below. The *Masse* will be governed by the provisions of the French *Code de commerce* with the exception of Articles L. 228-48, L. 228-59, R.228-61, R. 228-63, R. 228-67, R. 228-69, R.228-79 paragraph 1 and R.236-11, subject to the following provisions:

- (a) *Legal Personality*

The *Masse* will be a separate legal entity and will act in part through the Representative and in part through the general meeting of the 2038 Bondholders (the “**General Meeting**”).

The *Masse* alone, to the exclusion of all individual 2038 Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the 2038 Bonds.

(b) *Representative*

The office of Representative of the *Masse* (the “**Representative**”) may be conferred on a person of any nationality who agrees to perform such function.

The following person is designated as Representative:

ÆTHER Financial Services
36, rue de Monceau
75008 Paris
France

agency@aetherfs.com

The Issuer shall pay to the Representative an amount of €400 per year so long as any of the 2038 Bonds is outstanding.

In the event of death, retirement, dissolution or revocation of appointment of the Representative, an alternate representative will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative at the head office of the Issuer and the specified offices of any of the Paying Agent.

(c) *Powers of Representative*

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the 2038 Bondholders.

All legal proceedings against the 2038 Bondholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) *General Meeting*

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more 2038 Bondholders, holding together at least one-thirtieth of the principal amount of the 2038 Bonds outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the 2038 Bondholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 11 (*Notices*).

Each 2038 Bondholder has the right to participate in a General Meeting in person, by proxy correspondence, or by videoconference or any other means of telecommunication allowing the identification of the participating 2038 Bondholders as provided *mutatis mutandis* by Article R.225-97 of the French *Code de commerce*. Each 2038 Bond carries the right to one vote.

(e) *Powers of the General Meetings*

The General Meeting is empowered to deliberate on the dismissal, replacement, and the remuneration of the Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the 2038 Bonds, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the 2038 Terms and Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of 2038 Bondholders, nor establish any unequal treatment between the 2038 Bondholders, nor decide to convert 2038 Bonds into shares.

General Meetings may deliberate validly on first convocation only if 2038 Bondholders present or represented hold at least a fifth of the principal amount of the 2038 Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by the 2038 Bondholders attending such General Meetings or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the right of each 2038 Bondholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such 2038 Bondholder as of midnight, Paris time, on the second Business Day preceding the date set for the meeting of the relevant General Meeting.

(f) *Written Resolutions*

Pursuant to Article L.228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the 2038 Bondholders by way of a Written Resolution. Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the 2038 Bondholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce* approval of a Written Resolution may also be given by way of electronic communication allowing the identification of 2038 Bondholders (“**Electronic Consent**”).

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 11 (*Notices*) not less than fifty (15) days prior to the date fixed for the passing of such Written Resolution (the “**Written Resolution Date**”). Notices seeking the approval of a Written Resolution will contain the conditions of form and time limits to be complied with by the 2038 Bondholders who wish to express their approval or rejection of such proposed Written Resolution. 2038 Bondholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their 2038 Bonds until after the Written Resolution Date. For the purpose hereof, a “**Written Resolution**” means a resolution in writing signed by the 2038 Bondholders of not less than 80 per cent. in nominal amount of the 2038 Bonds outstanding.

(g) *Information to 2038 Bondholders*

Each 2038 Bondholder or Representative thereof will have the right, during the fifteen-day (15) period preceding the holding of the General Meeting on first convocation or the Written Resolution Date and, during the 10-day period preceding the holding of the General Meeting on second convocation, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be prepared in connection with such resolutions, all of which will be available for inspection by the relevant 2038 Bondholders at the registered office of the Issuer, at the specified offices of any of the Paying Agent during normal business hours and at any other place specified in the notice of the General Meeting.

(h) *Expenses*

The Issuer will pay all expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of General Meetings and seeking the approval of a Written Resolution, and, more generally, all administrative expenses resolved upon by the General Meeting.

(i) *Notice of Decisions*

Decisions of the General Meetings and Written Resolutions once approved shall be published in accordance with the provisions set out in Condition 11 (*Notices*).

If and for so long as the 2038 Bonds are held by a sole 2038 Bondholder, such sole 2038 Bondholder shall exercise all the powers, rights and obligations entrusted with the Representative and the General Meeting by the provisions of this Condition 10, as appropriate. Such sole 2038 Bondholder shall hold a register of the decisions it will have taken in this capacity and shall make them available, upon request, to any subsequent holder of all or part of the 2038 Bonds. For the avoidance of doubt, in this case, the Representative and the General Meeting shall not exercise such powers, rights and obligations until the 2038 Bonds are held by more than one 2038 Bondholder.

11. Notices

Notices to the 2038 Bondholders shall be valid if delivered to the 2038 Bondholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the 2038 Bonds are cleared through such clearing systems and published on the website of the Issuer (www.michelin.com) and, so long as the 2038 Bonds are admitted to trading on Euronext Paris and the rules of that stock exchange so require, published in a leading daily newspaper having general circulation in France (which is expected to be *Les Echos*) or on the website of Euronext Paris (www.euronext.com). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

12. Further Issues

The Issuer may from time to time without the consent of the 2038 Bondholders issue further bonds to be consolidated (*assimilables* for the purpose of French Law) and form a single series with the 2038 Bonds provided such 2038 Bonds and the further bonds carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further bonds provide for such assimilation and references in these 2038 Terms and Conditions to “**2038 Bonds**” shall be construed accordingly. In the event of such assimilation, the 2038 Bondholders and the holders of any assimilated bonds will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

13. Hardship (*Imprévision*)

In relation to these 2038 Terms and Conditions, the Issuer, the Representative and each 2038 Bondholder waive any right under Article 1195 of the French *Code civil*.

14. Cancellation (*Caducité*)

If, at any time, any other agreement part of the single transaction (*même opération*) involving the 2038 Bonds, is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction or is terminated for any reason, neither the legality, validity or enforceability of the 2038 Terms and Conditions and the 2038 Bonds shall in any way be affected or impaired thereby and as a result the 2038 Terms and Conditions and the 2038 Bonds shall not become *caducs* for the purposes of Article 1186 of the French *Code civil*.

15. Governing Law and Jurisdiction

15.1 Governing Law

The 2038 Bonds shall be governed by, and shall be construed in accordance with, French law.

15.2 Jurisdiction

Any claim against the Issuer in connection with any 2038 Bonds may be brought before any competent court of the jurisdiction of the Paris Court of Appeal.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds will be used by the Issuer for general corporate purposes.

DESCRIPTION OF THE ISSUER

Information on the Issuer is set out in the 2018 First-Half Financial Report, the 2017 Registration Document and the 2016 Registration Document incorporated by reference in this Prospectus, as set out in the section “Documents incorporated by reference” on pages 48 to 50 of this Prospectus and in particular, the cross reference tables included therein.

DOCUMENTS INCORPORATED BY REFERENCE

The following sections identified in the cross-reference table below of the following documents, which have previously been published, are incorporated by reference in, and form part of, this Prospectus:

- (i) the English translation of the Issuer's 2016 registration document (the "**2016 Registration Document**") (being an English translation of the Issuer's *document de référence* 2016 filed with the AMF on March 7, 2017 under n°D.17-0131), which contains, *inter alia*, the English translation of the Issuer's audited consolidated financial statements as at December 31, 2016 and the free English translation of the statutory auditors' report thereon;
- (ii) the English translation of the Issuer's 2017 registration document (the "**2017 Registration Document**") (being an English translation of the Issuer's *document de référence* 2017 filed with the AMF on March 9, 2018 under n°D.18-0114), which contains, *inter alia*, the English translation of the Issuer's audited consolidated financial statements as at December 31, 2017 and the free English translation of the statutory auditors' report thereon; and
- (iii) the English translation of the Issuer's 2018 first-half financial report (*rapport financier semestriel*) (the "**2018 First-Half Financial Report**"), which contains, *inter alia*, the English translation of the Issuer's unaudited consolidated interim financial statements as at and for the six-month period ended June 30, 2018 and the free English translation of the auditors' limited review report thereon,

save that any statement included in the sections of a document which are deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The 2016 Registration Document, the 2017 Registration Document and the 2018 First-Half Financial Report are available on the Issuer's website (www.michelin.com) and on the website of the AMF (www.amf-france.org).

Any information not listed in the cross-reference list below but included in the 2016 Registration Document, the 2017 Registration Document or the 2018 First-Half Financial Report is not incorporated by reference.

Cross-reference list for information incorporated by reference

INFORMATION INCORPORATED BY REFERENCE Annex 9 of the European Regulation 809/2004/EC of April 29, 2004	2018 First-Half Financial Report (page numbers)	2017 Registration Document (page numbers)	2016 Registration Document (page numbers)
3. RISK FACTORS			
3.1 Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the securities to investors in a Section headed "Risk Factors".	93	64 to 76	
4. INFORMATION ABOUT THE ISSUER			
4.1. <u>History and development of the issuer</u>		24	
4.1.1. the legal and commercial name of the issuer;		152	
4.1.2. the place of registration of the issuer and its registration number;		152	

4.1.3. the date of incorporation and the length of life of the issuer, except where indefinite;		152	
4.1.4. the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);		152	
4.1.5. any recent events particular to the issue and which are to a material extent relevant to the evaluation of the Issuer's solvency	3 to 9; 29 to 98 and 122	60 to 64	
5. BUSINESS OVERVIEW			
5.1. <u>Principal activities</u>			
5.1.1. A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;		32 to 43 and 61 to 64	
5.1.2. The basis for any statements made by the Issuer on its competitive position.		32	
6. ORGANISATIONAL STRUCTURE			
6.1. If the issuer is part of a group, a brief description of the group and of the issuer's position within it;		23	
6.2. If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.		300 to 302; 324	
9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES			
9.1. Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.		77 to 79; 106 to 111	
9.2. Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect.		111	
10. MAJOR SHAREHOLDERS			
10.1. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.		147	
10.2. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the		150	

issuer.			
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES			
11.1. <u>Historical financial information</u>	99 to 122	232 to 332	206 to 289
11.2. <u>Financial statements</u>			
- Consolidated income statement	101	233	207
- Consolidated statement of comprehensive income	102	234	208
- Consolidated statement of financial position	103	235	209
- Consolidated cash flow statement	105	237	211
- Consolidated statement of changes in equity	104	236	210
- Accounting policies and explanatory notes	106 to 122	238 to 303	212 to 273
- Auditor's report on the consolidated financial statements	123 to 124	304 to 307	274
11.3. <u>Auditing of historical annual financial information</u>		304; 326	274; 290
11.4. <u>Age of latest financial information</u>		233	
11.5. <u>Legal and arbitration proceedings</u> Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.		75	
12. MATERIAL CONTRACTS		76	

TAXATION

The following is an overview of certain French withholding tax considerations relating to the holding of the Bonds. This overview is based on the laws in force in France as of the date of this Prospectus and is subject to any changes in law and interpretation hereof (potentially with a retroactive effect). This overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax adviser as to the French tax consequences of any investment in, or ownership and disposition of, the Bonds.

Withholding taxes applicable on payments made outside France

The following may be relevant to holders of Bonds who do not concurrently hold shares in the Issuer.

Payments of interest and other assimilated revenues made by the Issuer with respect to the Bonds are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”), in which case a 75 per cent. withholding tax is applicable (subject to certain exceptions and to more favourable provisions of an applicable double tax treaty). Such 75 per cent. withholding tax is applicable irrespective of the tax residence of the Bondholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated at least once a year. A draft law published by the French government on March 28, 2018 would, if adopted in its current form, (i) expand the list of Non-Cooperative States as defined under Article 238-0 A of the French *Code général des impôts* to include the States and jurisdictions on the list set out in Annex I to the conclusions adopted by the council of the European Union on December 5, 2017, as updated, (the “**EU List**”) and, as a consequence, (ii) expand this withholding tax regime to the States and jurisdictions included in the EU List.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other assimilated revenues are not deductible from the Issuer’s taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account held with a financial institution established in a Non-Cooperative State (the “**Deductibility Exclusion**”). The draft law published by the French government on March 28, 2018 abovementioned would, if adopted in its current form, expand this regime to the States and jurisdictions included in the EU List. Under certain conditions, any such non-deductible interest and other assimilated revenues may be re-characterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other assimilated revenues may be subject to the withholding tax provided under Article 119 *bis* 2 of the same Code, at a rate of (i) 30 per cent. (to be aligned with the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from January 1, 2020) for payments benefiting legal persons who are not French tax residents, (ii) 12.8 per cent. for payments benefiting individuals who are not French tax residents or (iii) 75 per cent. for payments made outside France in a Non-Cooperative State (subject to certain exceptions and to more favorable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax provided by Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion (and the withholding tax set out in Article 119 *bis* 2 of the same Code that may be levied as a result of the Deductibility Exclusion) will apply in respect of the Bonds provided that the Issuer can prove that the main purpose and effect of the issue of the Bonds is not that of allowing the payments of interest and other assimilated revenues to be made in a Non-Cooperative State (the “**Exception**”).

In addition, pursuant to the administrative guidelines published by the French tax authorities (*Bulletin Officiel des Finances Publiques – Impôts*) BOI-RPPM-RCM-30-10-20-40, no 70 and 80 and BOI-INT-DG-20-50, no 550 and 990 dated February 11, 2014 and BOI-IR-DOMIC-10-20-20-60, no 10 dated March 20, 2015, the Bonds benefit

from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of the issue of the Bonds, if such Bonds are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depositories or operators are not located in a Non-Cooperative State.

As *inter alia* the Bonds of each Series are admitted at the time of their issue to the operations of Euroclear France, payments of interest and other assimilated revenues made by or on behalf of the Issuer with respect to the Bonds will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* and the Deductibility Exclusion will not apply to such payments.

Withholding tax applicable on payments made to individuals fiscally domiciled in France

Pursuant to Article 125 A I of the French *Code général des impôts*, where the paying agent (*établissement payeur*) is established in France and subject to certain exceptions, interest and other assimilated revenues received under the Bonds by individuals who are fiscally domiciled in France are subject to a 12.8 per cent. withholding tax. This withholding tax is deductible from their personal income tax liability in respect of the year during which the withholding has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of 17.2 per cent. on such interest and other assimilated revenues received by individuals who are fiscally domiciled in France.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Banco Santander, S.A., Commerzbank Aktiengesellschaft, MUFG Securities EMEA plc, Natixis and Société Générale (the “**Joint Bookrunners**”) have, pursuant to a subscription agreement dated August 30, 2018 (the “**Subscription Agreement**”) and made between the Issuer and the Joint Bookrunners upon the terms and subject to the conditions contained therein, jointly and severally agreed to procure subscribers and payment for, or failing which to subscribe and pay for, the Bonds at an issue price equal to:

- 0.875 per cent. of the principal amount of the 2025 Bonds;
- 1.750 per cent. of the principal amount of the 2030 Bonds; and
- 2.500 per cent. of the principal amount of the 2038 Bonds,

in each case less any applicable commission.

The Issuer will also reimburse the Joint Bookrunners in respect of certain of their expenses, and has agreed to indemnify the Joint Bookrunners against certain liabilities, incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

General

Each Joint Bookrunner has represented, warranted and agreed (severally, but not jointly) that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses, distributes or publishes this Prospectus or any other offering material relating to the Bonds. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish this Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

United States of America

The Bonds have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. Terms used in this paragraph have the respective meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 of Regulation S. Accordingly, neither the Joint Bookrunners nor any of their respective affiliates, nor any persons acting on their behalf, have engaged or will engage in any directed selling efforts with respect to the Bonds, and the Joint Bookrunners, their respective affiliates and all persons acting on their behalf have complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Bookrunner has agreed that, at or prior to confirmation of sale of the Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Bonds from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the

Securities Act if such offer or sale is made otherwise than pursuant to an exemption from the registration requirements of the Securities Act.

United Kingdom

Each of the Joint Bookrunners has represented, warranted and undertaken that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

France

Each of the Joint Bookrunners has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Bonds, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) investing for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Belgium

The following selling restriction shall apply to offers of Bonds in Belgium.

The Bonds are not intended to be sold to Belgian Consumers. Accordingly, each Joint Bookrunner has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Bonds to Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, this Prospectus or any offering material relating to the Bonds to Belgian Consumers.

For these purposes, a “Belgian Consumer” has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium and any acting for purposes which are outside his/her trade, business or profession.

Prohibition of Sales to European Economic Area Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Stabilisation

In connection with the issue of the Bonds, (i) Citigroup Global Markets Limited in respect of the 2025 Bonds and the 2030 Bonds and (ii) Crédit Agricole Corporate and Investment Bank in respect of the 2038 Bonds (each a

“Stabilising Manager”) (or any person acting on behalf of such Stabilising Manager) may (but will not be required to) over-allot the relevant Bonds or effect transactions within a specified period, with a view to supporting the market price of the relevant Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the Bonds and sixty (60) calendar days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager in accordance with all applicable laws and rules.

The Issuer confirms the appointment of (i) Citigroup Global Markets Limited in respect of the 2025 Bonds and the 2030 Bonds and (ii) Crédit Agricole Corporate and Investment Bank in respect of the 2038 Bonds as the central points responsible for adequate public disclosure of information, and handling any request from a competent authority, in accordance with Article 6(5) of Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016 with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.

GENERAL INFORMATION

1. Authorisation

The issue of the Bonds has been authorised by the *Président de la Gérance* of the Issuer on August 29, 2018, pursuant to the eighth (8th) resolution of the Combined General Meeting of the Issuer adopted on May 18, 2018.

2. Admission to trading

For the sole purpose of the admission to trading of the Bonds on Euronext Paris and pursuant to Articles L.412-1 and L.621-8 of the French *Code monétaire et financier*, this Prospectus has been submitted to the AMF and received a visa no. 18-408 dated August 30, 2018.

Application has been made for the Bonds to be admitted to trading on Euronext Paris as from the Issue Date.

The Issuer estimates that the amount of expenses related to such admission to trading of the Bonds of each Series (including AMF and Euronext Paris fees) will be approximately as follows.

2025 Bonds	€13,750
2030 Bonds	€16,875
2038 Bonds	€21,250

3. Clearing systems

The Bonds have been accepted for clearance through Euroclear France, Clearstream and Euroclear.

The Common Code and the International Securities Identification Number (ISIN) are as follows:

Bonds	ISIN	Common Code
2025 Bonds	FR0013357845	187527767
2030 Bonds	FR0013357852	187527970
2038 Bonds	FR0013357860	187528151

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream is 42, avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

4. Legal and arbitration proceedings

Save as disclosed in this Prospectus, the Group believes that, as of the date this Prospectus, there were no governmental, legal or arbitration proceedings either in progress or impending that would be likely to have or had in the past 12 months a material impact on the Group's financial position, earnings, operations or assets.

5. No significant or material change

Save as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer and the Group since June 30, 2018 and there has been no material adverse change in the prospects of the Issuer and the Group since December 31, 2017.

6. Financial statements

The statutory auditors of the Issuer are PricewaterhouseCoopers Audit and Deloitte & Associés, who have audited the Issuer's consolidated financial statements in accordance with generally accepted auditing standards in France for each of the two financial years ended December 31, 2016 and 2017. Their audit reports on these financial statements were issued with unqualified opinions. PricewaterhouseCoopers Audit and Deloitte & Associés have rendered a limited review report on the Issuer's unaudited consolidated interim financial statements as at and for the six-month period ended June 30, 2018. The auditors are independent statutory auditors with respect to the Issuer as required by the laws of the French Republic and under the applicable rules of the *Compagnie Nationale des Commissaires aux Comptes*.

PricewaterhouseCoopers Audit is a member of the *Compagnie régionale des Commissaires aux comptes de Versailles*.

Deloitte & Associés is a member of the *Compagnie régionale des Commissaires aux comptes de Versailles*.

7. Documents

Copies of the following documents are available for inspection, free of charge, during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the registered office of the Issuer and at the specified offices of the Paying Agent:

- (a) the *statuts* of the Issuer;
- (b) the Agency Agreement;
- (c) this Prospectus and any other documents incorporated by reference in this Prospectus.

In addition, this Prospectus and documents incorporated by reference herein, will be published on the websites of the Issuer (www.michelin.com) and the AMF (www.amf-france.org).

The *statuts* of the Issuer are available on the website of the Issuer only (www.michelin.com).

8. Yield

The yield of the Bonds calculated on the Issue Date on the basis of the Issue Price is set out below. It is not an indication of future yield.

Bonds	Yield
2025 Bonds	1.009 per cent <i>per annum</i>
2030 Bonds	1.819 per cent <i>per annum</i>
2038 Bonds	2.541 per cent <i>per annum</i>

9. Currency

All references in this document to “euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended.

10. Ratings

The Issuer is rated A- with a stable outlook by S&P and A3 with a stable outlook by Moody's. The Bonds have been assigned a rating of A- by S&P and A3 by Moody's. S&P and Moody's are established in the European Union, registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

11. Material interest

Save as discussed in the section entitled "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the issue of the Bonds has any interest, including conflicting ones, that is material to the issue.

12. Conflicts of Interest

The Issuer certifies that, to the best of its knowledge, there are no potential conflicts of interests between any duties owed to the Issuer by members of its administrative management body and their private interests or other duties.

13. Forward-looking statements

This Prospectus contains or incorporates by reference objectives, forecasts or other forward-looking statements that may be identified by the use of words such as "anticipate," "believe," "expect," "estimate," "plan," "outlook," and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such objectives, forecasts or other forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the businesses of the Group, as well as assumptions and analysis made by the Group in light of its perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate in the circumstances. By their nature, forward-looking statements involve known and unknown risks, uncertainties and assumptions that could cause actual results, performance and the timing of events to differ materially from those expressed or implied by the forward-looking statements.

These forward-looking statements speak only as of the date on which the statements were made, and no obligation has been undertaken to publicly update or revise any forward-looking statements made in this Prospectus or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

I hereby certify, having taken all reasonable care to ensure that such is the case, that the information contained in this Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

August 30, 2018

Compagnie Générale des Établissements Michelin
23, place des Carmes-Déchaux
63000 Clermont-Ferrand
France

Duly represented by Jean-Dominique Senard, *Président de la Gérance* of the Issuer, authorised signatory, pursuant to the eighth (8th) resolution of the Combined General Meeting of the Issuer adopted on May 18, 2018.



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the AMF, in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the *visa* no. 18-408 on August 30, 2018. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of “whether the document is complete and comprehensible, and whether the information in it is coherent”. It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Bonds.

ISSUER

Compagnie Générale des Établissements Michelin

23, place des Carmes-Déchaux
63000 Clermont-Ferrand
France

GLOBAL COORDINATOR AND ACTIVE JOINT BOOKRUNNER

In respect of the 2025 Bonds and the 2030 Bonds

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

In respect of the 2038 Bonds

Crédit Agricole Corporate and Investment Bank

12, Place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

STRUCTURING ADVISOR AND ACTIVE JOINT BOOKRUNNER

In respect of the 2025 Bonds and the 2030 Bonds

Crédit Agricole Corporate and Investment Bank

12, Place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

In respect of the 2038 Bonds

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

ACTIVE JOINT BOOKRUNNERS

In respect of the 2025 Bonds, the 2030 Bonds and the 2038 Bonds

BANCO SANTANDER, S.A

Ciudad Grupo Santander
Edificio Encinar
Avenida de Cantabria
28660, Boadilla del Monte, Madrid
Spain

COMMERZBANK AKTIENGESELLSCHAFT

Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt-am-Main
Federal Republic of Germany

MUFG SECURITIES EMEA PLC

Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

NATIXIS

30, avenue Pierre Mendès France
75013 Paris
France

SOCIETE GENERALE

29, boulevard Haussmann
75009 Paris
France

FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT

CACEIS CORPORATE TRUST

14, rue Rouget de Lisle
92130 Issy-les-Moulineaux
France

AUDITORS OF THE ISSUER

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

To the Issuer
White & Case LLP
19, place Vendôme
75001 Paris
France

LEGAL ADVISERS

Deloitte & Associés
6, place de la Pyramide
92908 Paris La Défense Cedex
France

To the Joint Bookrunners
Clifford Chance Europe LLP
1 rue d'Astorg
75377 Paris Cedex 08
France