

IN THE MATTER OF THE SECURITIES LEGISLATION OF NOVA SCOTIA, ALBERTA,  
SASKATCHEWAN, NEWFOUNDLAND AND LABRADOR, NEW BRUNSWICK, AND  
PRINCE EDWARD ISLAND AND IN THE MATTER OF THE MUTUAL RELIANCE REVIEW  
SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS AND IN THE MATTER OF  
COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN MRRS DECISION  
DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the **ADecision Maker**) in each of Nova Scotia, Alberta, Saskatchewan, Newfoundland and Labrador, New Brunswick and Prince Edward Island (the **AJurisdictions**) has received an application from Compagnie Générale des Etablissements Michelin (the **AFiler**) for a decision under the securities legislation of the Jurisdictions (the **ALegislation**) that the requirements contained in the Legislation to be registered to trade in a security (the **AREgistration Requirement**) and to file and obtain a receipt for a preliminary prospectus and a prospectus in respect of such security (the **AProspectus Requirement**) shall not apply to certain trades in securities of the Filer pursuant to the employee stock purchase plan of the Filer (the **APlan**);

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the **ASystem**), the Nova Scotia Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. the Filer is a corporation formed under the laws of France;
2. the Filer is not, and has no present intention of becoming, a reporting issuer or the equivalent under the legislation of any jurisdiction in Canada, but is subject to reporting and other requirements of the Commission des Opérations de Bourse in France;
3. the authorized capital of the Filer consists of 134,715,873 shares of common stock, par value \$2 per share (the **AShares**); as of December 31, 2001 all of the Shares were issued and outstanding, of which 4,150,457 were held by the Filer;
4. the Shares are listed on Euronext Paris;
5. Michelin North America (Canada) Inc. is incorporated under the laws of Canada and Michelin Retread Technologies (Canada) Inc. is incorporated under the laws of the Province of Nova Scotia (collectively, **AMichelin Canada**) and both are indirect controlled subsidiaries of the Filer;
6. the Filer has established the Plan for the benefit of employees of those subsidiaries of the Filer designated by the managing partners (**Agérants**) of the Filer as eligible to participate in the Plan (the **ADesignated Subsidiaries**);

7. there are approximately 4,034 employees of the Designated Subsidiaries resident in Canada eligible to participate in the Plan, broken down by jurisdiction as follows: Nova Scotia (3,574), Ontario (193), Québec (209), British Columbia (23), Alberta (17), Saskatchewan (3), Manitoba (9), New Brunswick (4), Newfoundland and Labrador (1) and Prince Edward Island (1);
8. a total of 2,700,000 newly issued Shares are available for purchase by eligible employees worldwide under the Plan with an aggregate of 1,300,000 to be available in 2002, and the remainder expected to be available in 2003;
9. participation in the Plan will be voluntary and eligible employees will not be induced to participate in the Plan by expectation of employment or continued employment with Designated Subsidiaries or the Filer; eligible employees resident in Canada may elect to participate in the Plan by completing standard subscription forms (such participating employees, the **AParticipants@**);
10. the Filer has engaged Société Générale (the **ACustodian@**), a French regulated financial institution that is also registered in France as a dealer with Conseil des Marchés Financiers, to assist in the administration of the Plan; the Custodian is not a registrant under the Legislation;
11. Michelin Canada has entered into sub-custodian arrangements with the Bank of New York Company, Inc. or its Canadian subsidiary (the **ASub-Custodian@**) for the benefit of the Participants; the Sub-Custodian is not a registrant under the Legislation;
12. Shares issued by the Filer pursuant to the Plan are initially held on behalf of the Participants in registered form by the Custodian and will be transferred to a local account with the Sub-Custodian on behalf of the Participants; the Sub-Custodian will provide periodic statements to the Participants showing the number of Shares it holds on their behalf;
13. as a component of the Plan, the Sub-Custodian will operate a dividend reinvestment program (the **ADRIP@**) for the benefit of the Participants; pursuant to the DRIP, the Custodian will take the aggregate amount of dividends paid to it on behalf of all the Participants and will send the dividend amount to the Sub-Custodian in Canadian dollars; the Sub-Custodian will subsequently direct the Custodian to use this dividend amount to purchase Shares in market transactions on the account of the Sub-Custodian for the benefit of the Participants; the Sub-Custodian will allocate the Shares that the Custodian purchases to the Participants, pro rata with the number of Shares in their account as soon as administratively practicable following such purchase; all allocations pursuant to the DRIP, including the attribution of fractional Shares, will be reflected in the statements the Participants receive from the Sub-Custodian;
14. if a Participant wishes to sell some or all of the Shares held in the Participant's account after expiry of the hold period, he or she may do so through the Custodian on behalf of

the sub-custodian account or through such other means as the Filer may permit, subject to applicable law and any applicable fees; if the Custodian sells Shares on behalf of a Participant, the Custodian will sell the Shares itself or will sell the Shares through a French registered dealer;

15. Participants will be provided with a copy of the Plan's Local Supplement for Canada and all disclosure material relating to the Filer which is distributed to the Filer's shareholders resident in Canada and France, including, without limitation, annual reports and proxy statements;
16. Designated Subsidiaries will assist in the administration of the Plan through, among other things, distributing and collecting Plan subscription forms, collecting payroll deductions and cash, and forwarding proceeds to the Sub-Custodian and the Custodian;
17. residents of Canada do not currently hold more than 10% of the outstanding Shares and the number of Canadian residents holding Shares is less than 10% of the total number of holders of Shares;
18. the issuance and sale of Shares to Participants under the Plan will be made in accordance with all applicable laws in France;
19. there is presently no market in Canada for any securities of the Filer, and no such market is expected to develop;
20. the Legislation of certain Jurisdictions does not contain exemptions from the Prospectus Requirement and the Registration Requirement for a distribution of Shares under the Plan;
21. when the Custodian sells Shares on behalf of a Participant, neither the Participant, the Custodian nor, where applicable, the Sub-Custodian, is able to rely on the exemption from the Registration Requirement contained in the Legislation for trades made by a person acting solely through a registered dealer under the Legislation; and
22. the Prospectus Requirement contained in the Legislation does not apply to the first trade in Shares acquired under the Plan provided, among other things, the Filer was not a reporting issuer at the distribution date, there is a *de minimus* market for the Shares in Canada, and the trade is made through the facilities of an exchange or market outside of Canada;

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the **ADecision@**);

AND WHEREAS each Decision Maker is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met;

The Decision of the Decision Makers pursuant to the Legislation is that:

- (a) the Registration Requirement and Prospectus Requirement shall not apply to any trade or distribution of Shares made in connection with the Plan, including trades and distributions involving the Designated Subsidiaries, Participants, Custodian and Sub-Custodian, provided that the first trade of Shares acquired through the Plan pursuant to this Decision shall be deemed a distribution or primary distribution to the public under the Legislation unless the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied; and
- (b) the first trade of Shares acquired pursuant to the Plan by Participants effected through the Custodian shall not be subject to the Registration Requirement provided that the first trade is executed through a stock exchange or market outside of Canada.

DATED April 9th, 2002.

AH. Leslie O'Brien