

THE SECURITIES ACT ) Order No. 4141  
)  
Section 20 ) May 28, 2003

COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN

WHEREAS:

(A) Compagnie Générale des Etablissements Michelin (the "Issuer") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act") exempting from the registration requirement in section 6 of the Act (the "Registration Requirement") trades in ordinary shares of the Issuer (the "Shares") acquired under the Issuer's employee stock purchase plan (the "Plan") by employees of the Issuer resident in the Province of Manitoba who participate in the Plan (the "Participants") by or through Sociétés Générales (the "Custodian") or another broker/dealer appropriately licensed in France (a "Broker"), and facilitated by The Bank of New York Company, Inc. or its Canadian subsidiary (the "Sub-Custodian") over the facilities of a stock exchange or market outside of Canada.

(B) The Issuer has represented to the Commission that:

1. the Issuer is a corporation formed under the laws of France;
2. as of December 31, 2002 the authorized share capital of the Issuer consisted of 141,792,730 Shares, par value 2 per Share; as of December 31, 2002 all of the Shares were issued and outstanding, of which 1,263,202 Shares were held by the Issuer;
3. the Shares are listed on Euronext Paris;
4. the Issuer is not subject to the continuous disclosure requirements under the Act and has no present intention of becoming subject to the continuous disclosure requirements under the Act or any other Canadian securities laws, but is subject to reporting and other requirements of the Commission des Opérations de Bourse in France;
5. the Issuer has established the Plan for the benefit of employees of those subsidiaries of the Issuer designated by the managing partners ("généralistes") of the Issuer as eligible to participate in the Plan (the "Designated Subsidiaries");
6. 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, "Michelin Canada") and both are indirect controlled subsidiaries of the Issuer and Designated Subsidiaries;

7. as of January, 2003 there are approximately 4,002 employees of the Designated Subsidiaries resident in Canada eligible to participate in the Plan, broken down by province as follows: Nova Scotia (3,590), Ontario (181), Quebec (188), British Columbia (17), Alberta (15), Saskatchewan (1), Manitoba (6) and New Brunswick (4);

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 available in 2002 and the remainder 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 Issuer; Participants elect to participate in the Plan by completing standard subscription forms;

10. the Issuer has engaged the Custodian, 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 Act;

11. the Issuer and Michelin Canada have entered into sub-custodian arrangements with the Sub-Custodian for the benefit of the Participants resident in North America; the Sub-Custodian is not a registrant under the Act;

12. Shares issued by the Issuer 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 "DRIP") 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. because there is no market in Manitoba for the Shares and none is expected to develop, any resale thereof by a Participant will be effected through the facilities of and in accordance with the rules of the stock exchange or market outside Canada on which the Shares are quoted or listed for trading;

15. 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 Issuer 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 Broker;

16. when the Custodian, Sub-Custodian or Broker sells Shares on behalf of a Participant, the Participant is not able to rely on the exemption from the Registration Requirement for trades made by a person or company acting solely through an agent who is a person or company registered for trading in securities under the Act;

17. Participants are provided with a copy of the Plans Local Supplement for Canada and all disclosure material relating to the Issuer which is distributed to the Issuers shareholders resident in Canada and France, including, without limitation, annual reports and proxy statements;

18. 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;

19. 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; and

20. the issuance and sale of Shares to Participants under the Plan will be made in accordance with all applicable laws in France.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant this order.

IT IS ORDERED:

**1. THAT**, pursuant to subsection 20(1) of the Act, trades by Participants in Shares acquired under the Plan by or through the Custodian, Sub-Custodian or Broker over the facilities of a stock exchange or market outside of Canada shall be exempt from the requirements of section 6 of the Act;

**2. THAT** the fee for this order is \$750.00.

BY ORDER OF THE COMMISSION

Deputy Director Legal