



***ANNUAL  
GENERAL  
MEETING***

***MAY 13, 2022***





# ***OPENING***

*FLORENT MENEGAUX*  
*CHAIRMAN*



# **AGENDA**

**OPENING**

**2021 ACTIVITY & 2022 OUTLOOK**

**STATUTORY AUDITOR'S  
REPORTS**

**GOVERNANCE**

**INSIGHTS**

**STRATEGIC SPEECH**

**RESOLUTIONS**

**QUESTIONS & ANSWERS**

**VOTING RESULTS**





***2021  
PERFORMANCE  
AND OUTLOOK***

*YVES CHAPOT  
GENERAL MANAGER AND CFO*





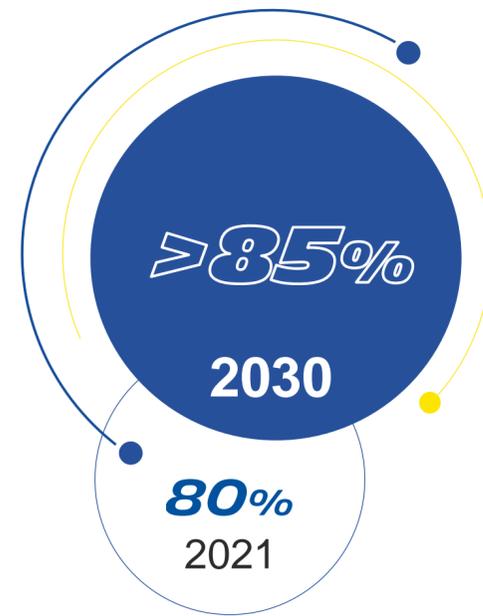
***2021 PERFORMANCE  
PEOPLE, PLANET, PROFIT***



# PEOPLE: HELPING PEOPLE DEVELOP AND FLOURISH AS THEY MEET OUR CUSTOMERS' NEEDS

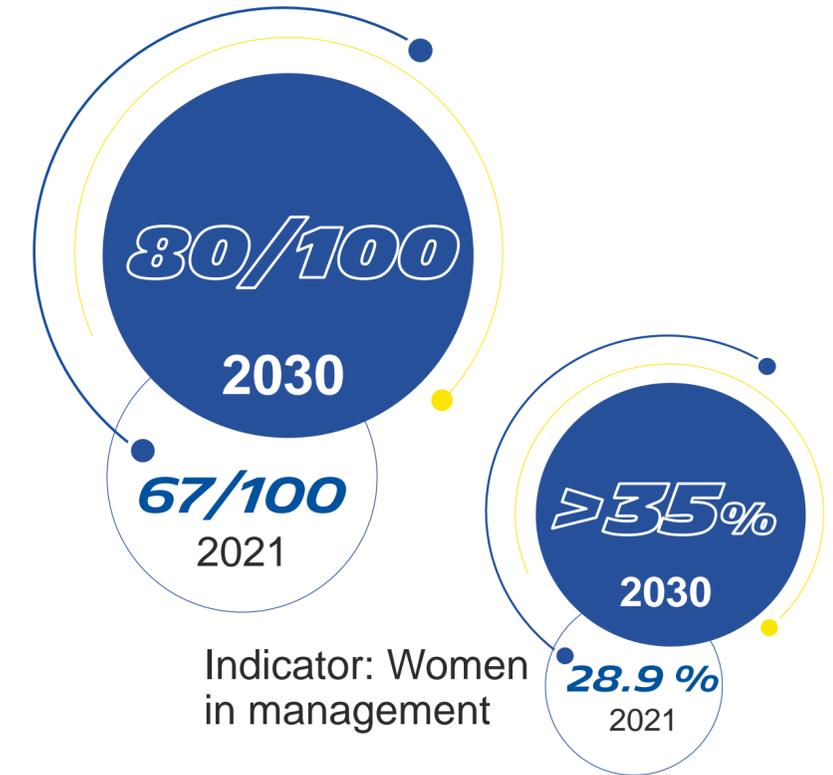
## ◆ Set the global standard **FOR EMPLOYEE ENGAGEMENT**

Indicator: Employee engagement rate



## ◆ Set the standard **FOR EMPLOYEE DIVERSITY AND INCLUSION**

Indicator: IMDI, Diversities & Inclusion Management Index



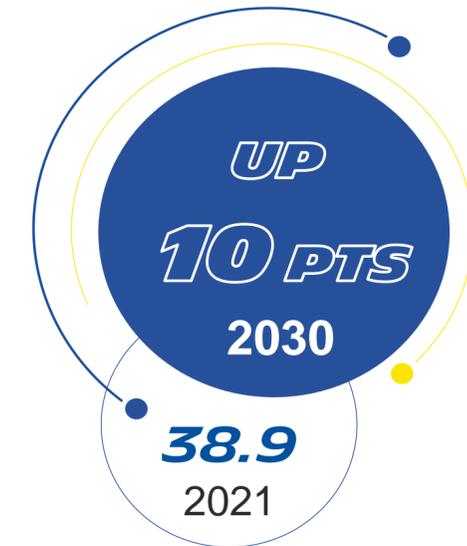
## ◆ Set the global standard **FOR WORKPLACE SAFETY**

Indicator: Total Case Incident Rate (TCIR): number of accidents and cases of occupational illness recorded per 200,000 hours worked



## ◆ Lead the industry **IN CREATING CUSTOMER VALUE**

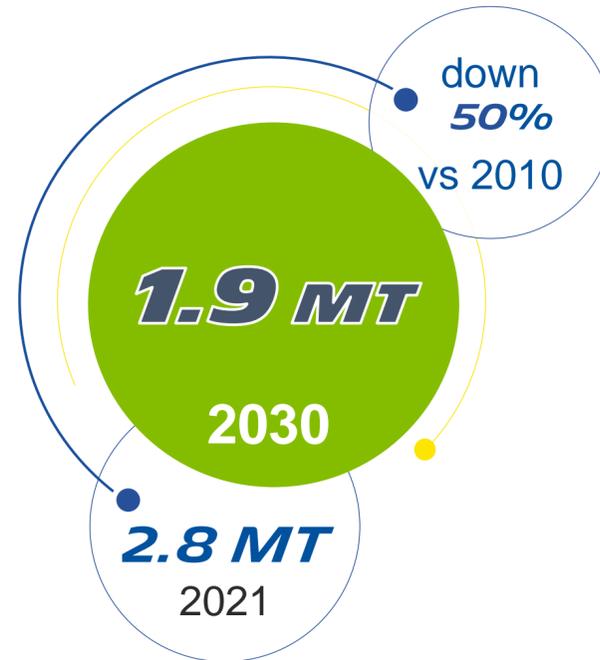
Indicator: Net Promoter Score



# ◆ PLANET: OUR POSITIVE CONTRIBUTION TO THE PLANET AND ITS INHABITANTS

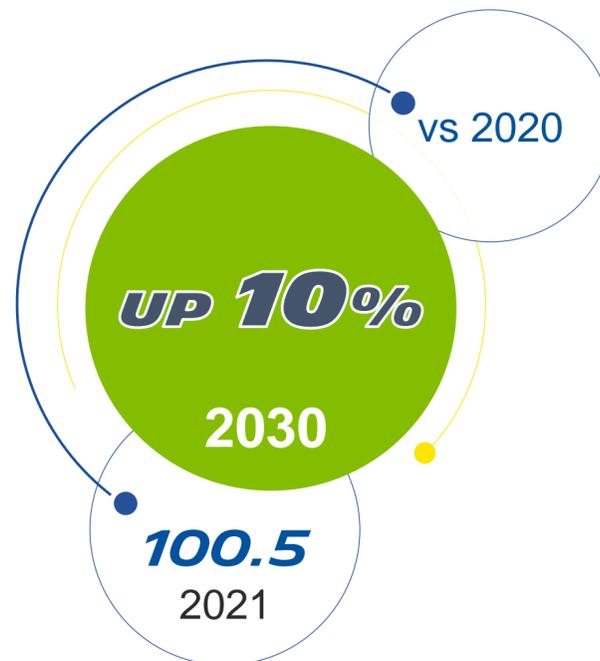
- ◆ Reduce CO<sub>2</sub> emissions from our production plants by 50% vs. 2030 to become **CARBON NEUTRAL IN 2050**

Indicator: Scope 1 and 2 CO<sub>2</sub> emissions



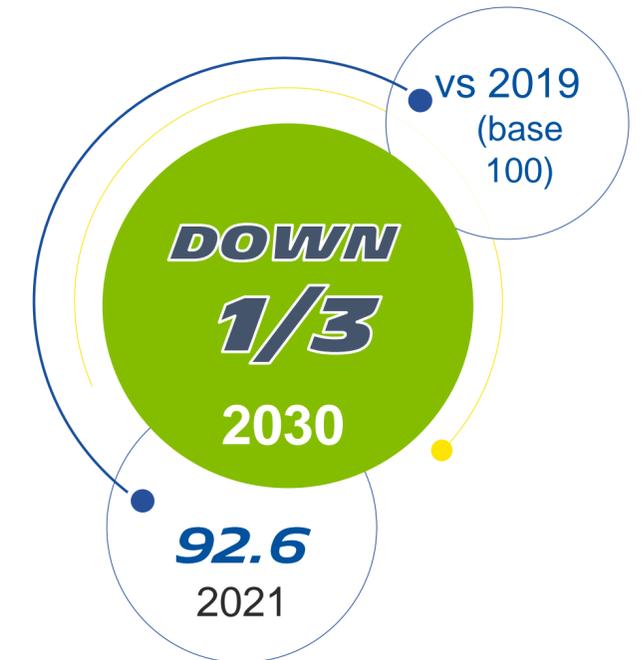
- ◆ Improve the energy efficiency of our products to help achieve **CARBON NEUTRALITY IN USE**

Indicator: reduction in the rolling resistance of Passenger car, Light truck and Truck tires



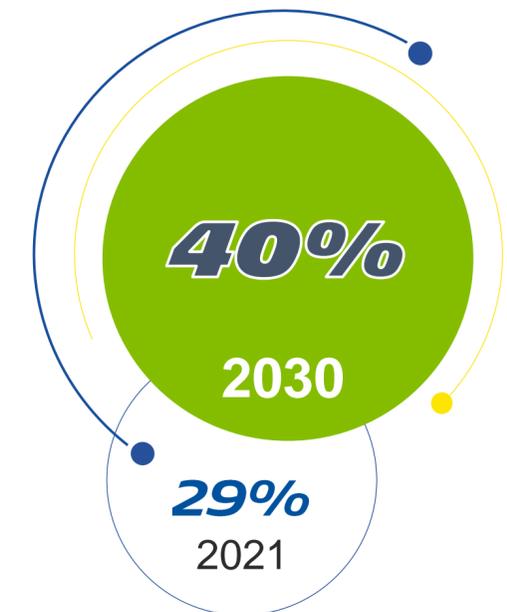
- ◆ Set the global standard **FOR THE ENVIRONMENTAL FOOTPRINT OF MANUFACTURING FACILITIES**

Indicator i-MEP: Industrial – Michelin Environmental Performance (*energy use, CO<sub>2</sub> emissions, organic solvent use, water withdrawals, and waste production*)



- ◆ 40% sustainable materials used in our tires by 2030 **AND 100% SUSTAINABLE MATERIALS IN OUR TIRES BY 2050**

Indicator: renewable or recycled materials in tires (*renewable bio-based materials are made from raw materials derived from natural resources that are naturally replenished on a human timescale, such as biomass*)

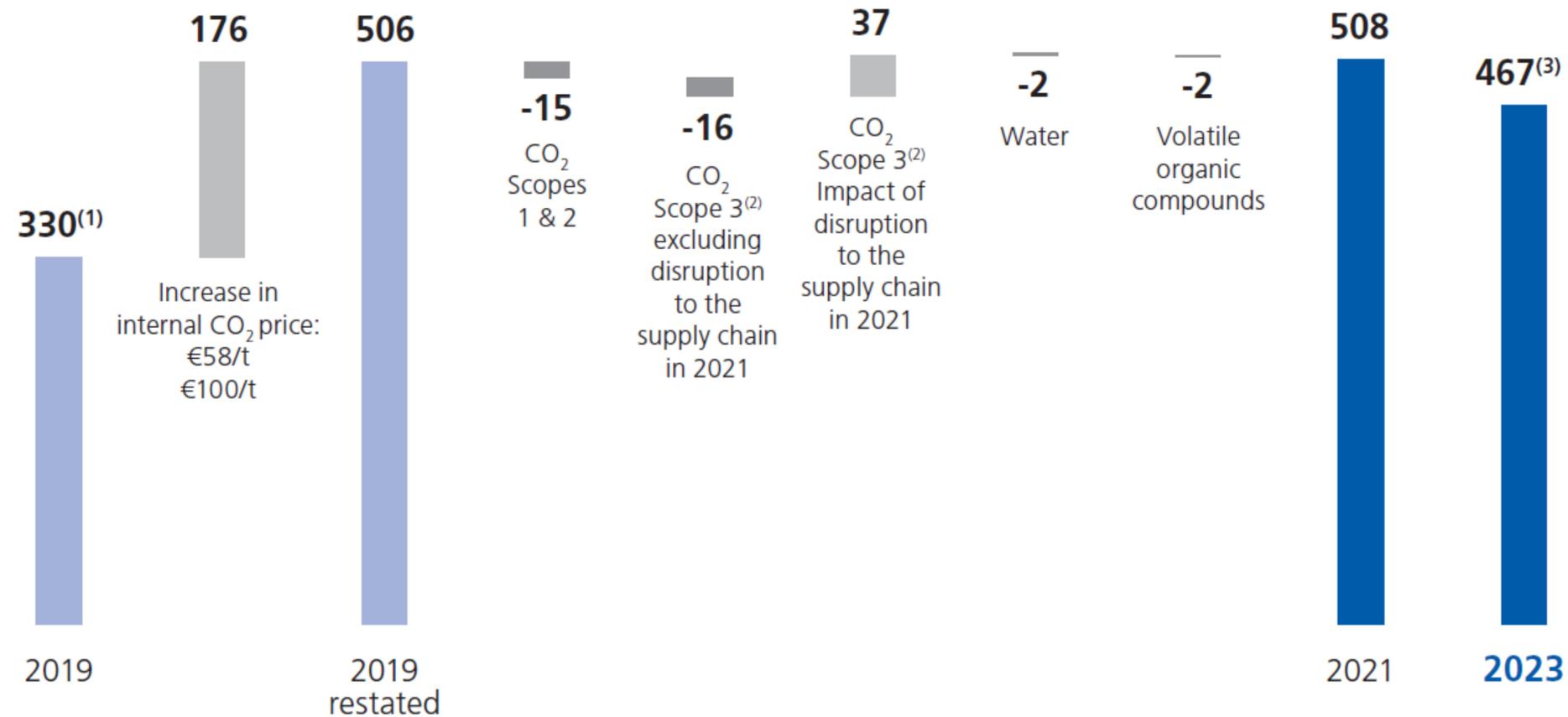


# PLANET: MICHELIN IS PURSUING PROGRAMS TO REDUCE ITS CO<sub>2</sub> EMISSIONS, VOLATILE ORGANIC COMPOUND EMISSIONS AND WATER WITHDRAWALS

## COST OF TARGETED NEGATIVE EXTERNALITIES

(in € millions)

- ◆ **Scope 1** **Direct emissions**  
sources owned or controlled by the company
- ◆ **Scope 2** **Indirect emissions**  
energy purchased by the company
- ◆ **Scope 3** **Indirect emissions**  
other emissions related to the company's business activities and the use of finished products



(1) Including €3 million from adjustments in the method of calculating transportation-related CO<sub>2</sub> emissions.

(2) Covers only the inbound and outbound transportation and distribution of natural rubber, semi-finished products and finished products.

(3) Corresponds to the 2023 target of approximately €300 million announced at the CMD on April 8, 2021, adjusted for the tonne of CO<sub>2</sub> valued at €100/t and the change in method mentioned in (1).

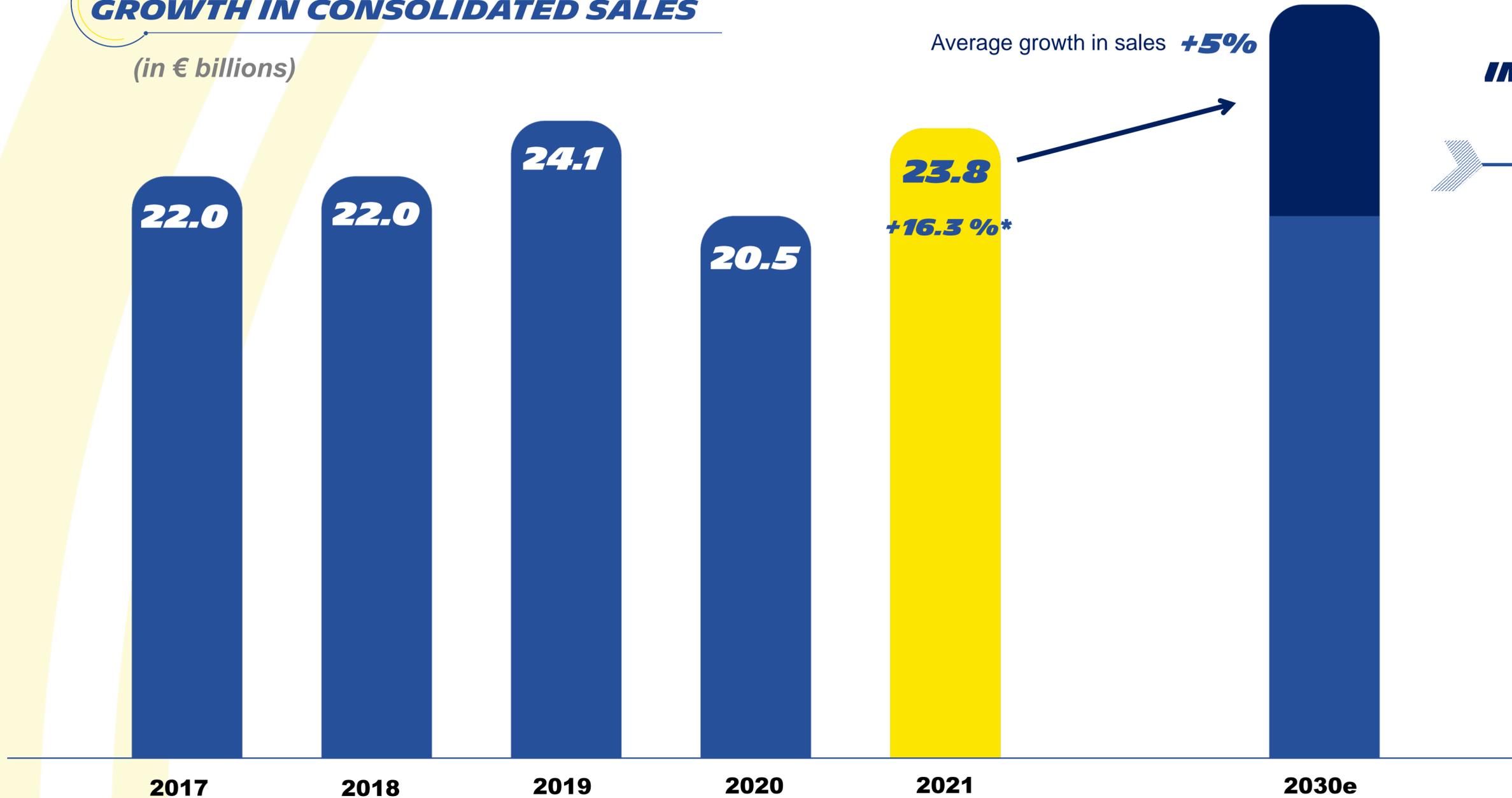
# BUSINESS PERFORMANCE: COMBINING SALES GROWTH AND VALUE CREATION

## GROWTH IN CONSOLIDATED SALES

(in € billions)

Average growth in sales **+5%**

**~20%-30%  
IN SALES OF NON-TIRE  
PRODUCTS AND  
SERVICES**

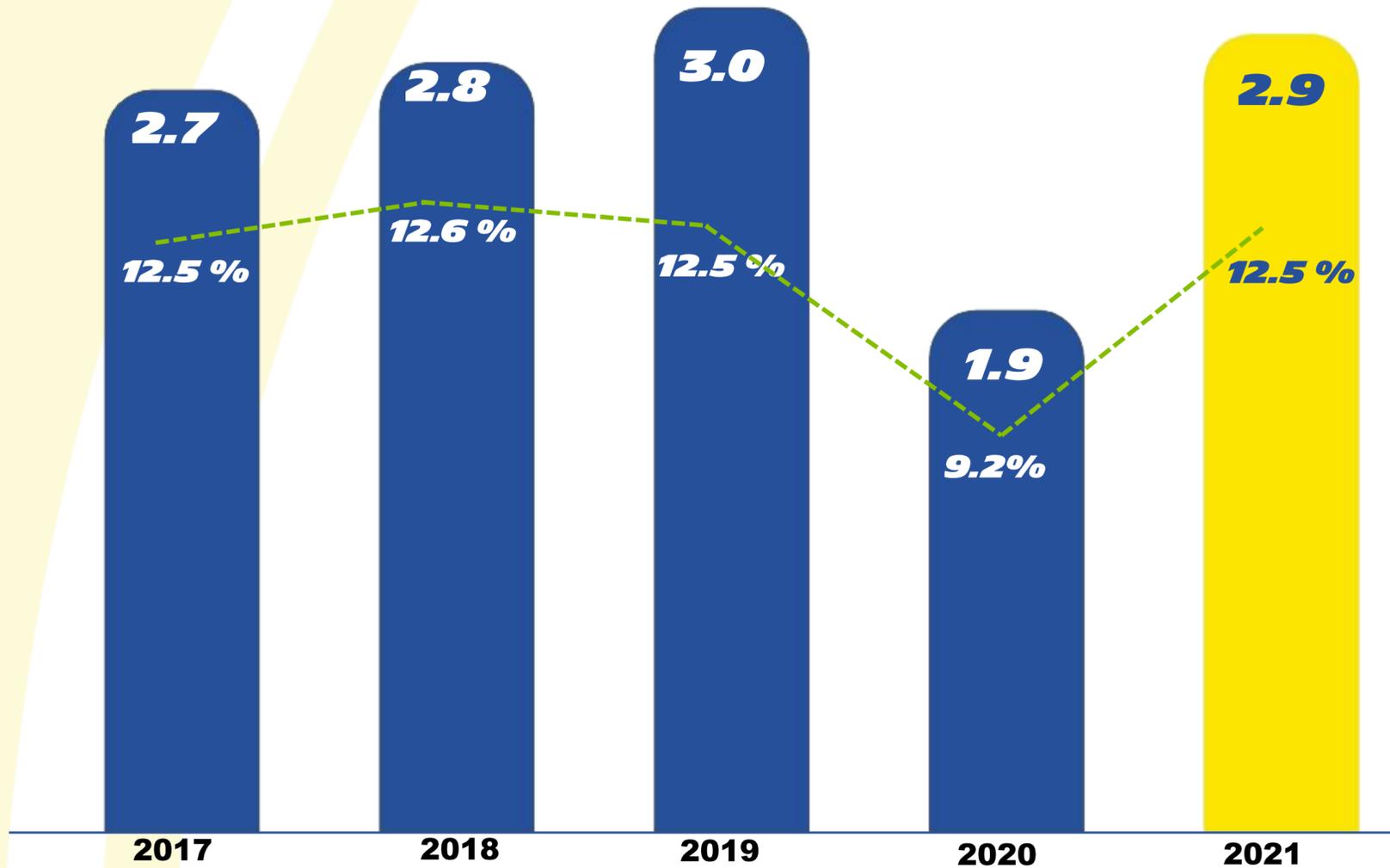


\* At constant exchange rates

# **BUSINESS PERFORMANCE: COMBINING SALES GROWTH AND VALUE CREATION**

## **GROWTH IN SEGMENT OPERATING INCOME (SOI)**

(in € billions and as a % of sales)



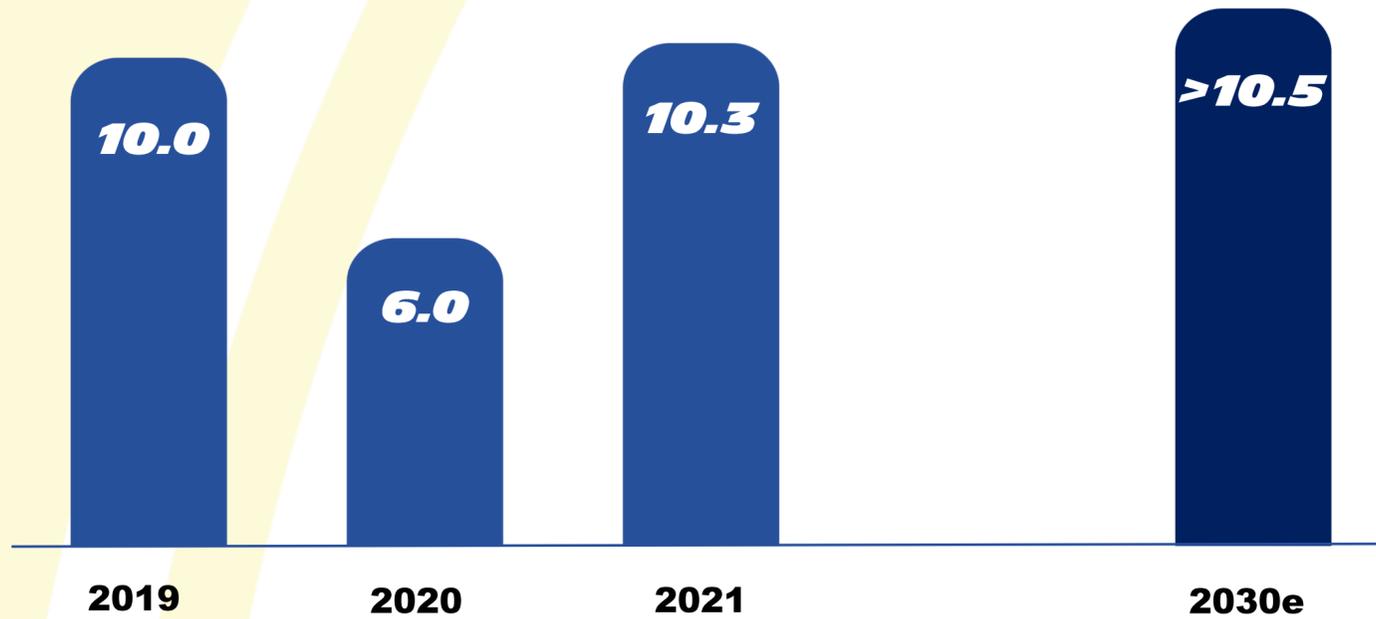
- A very favorable original equipment/replacement business mix in the Automotive segment
- Market share gains in 18-inch and larger tires, our premium tires
- Dynamic price management leveraging the brand's pricing power, which offset cost inflation factors



# BUSINESS PERFORMANCE: COMBINING SALES GROWTH AND VALUE CREATION

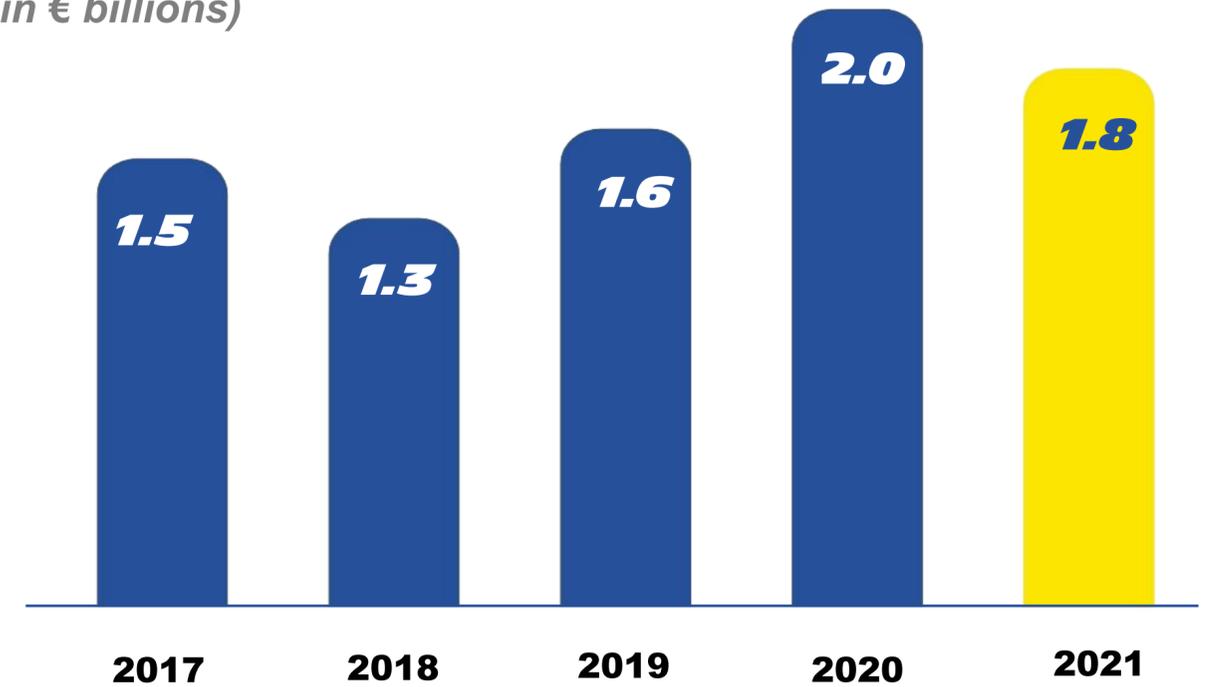
## RETURN ON CAPITAL EMPLOYED

(ratio)



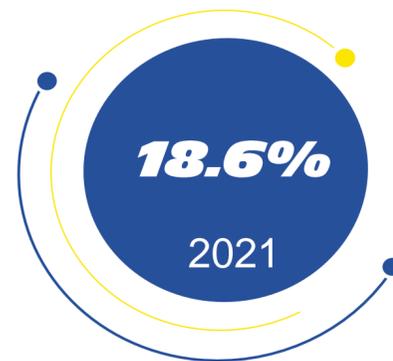
## GROWTH IN STRUCTURAL FREE CASH FLOW\*

(in € billions)



\* Corresponding to free cash flow before acquisitions, adjusted for the impact of movements in raw materials prices on trade receivables, trade payables and inventories

## GEARING

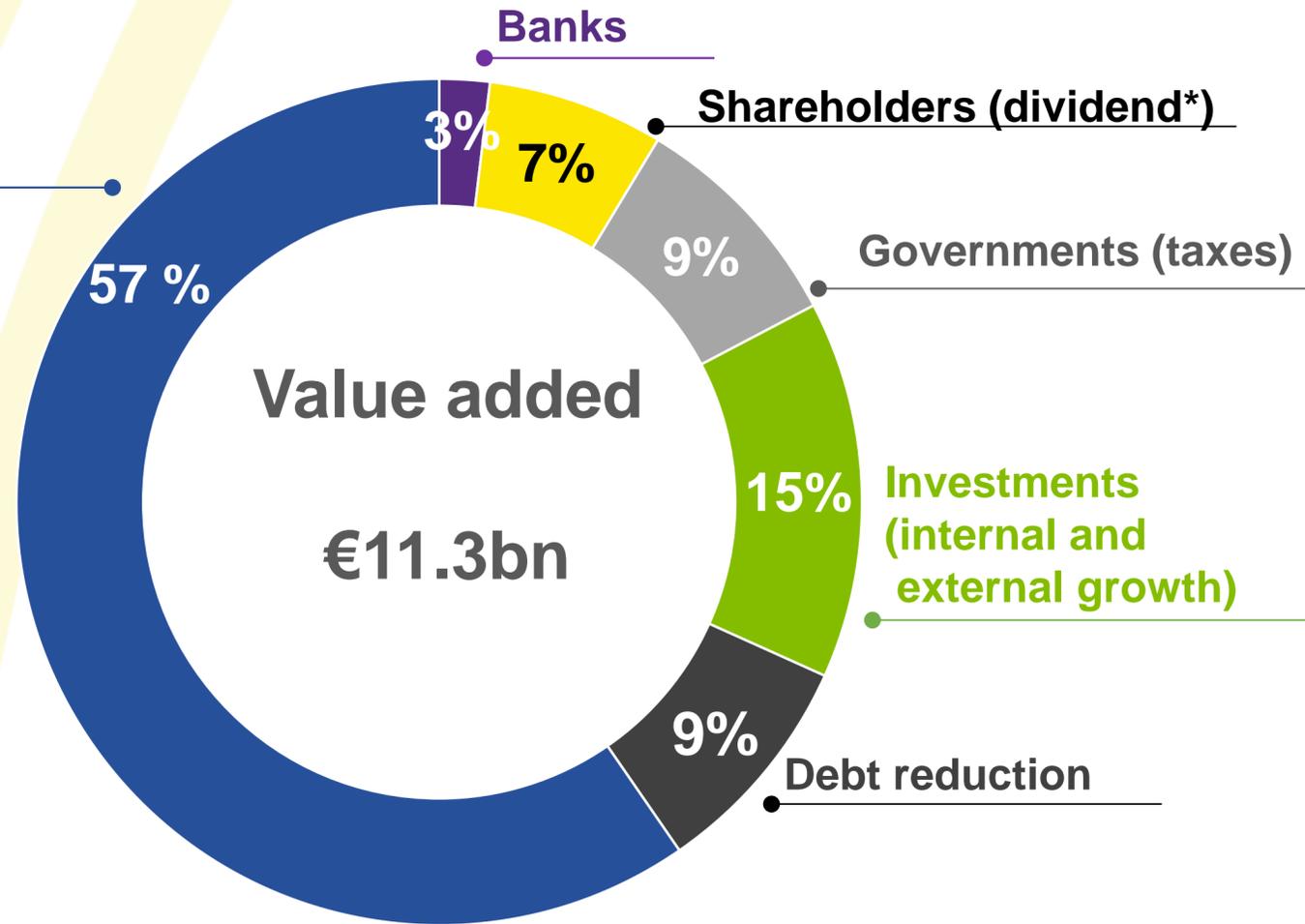




# BUSINESS PERFORMANCE: DISTRIBUTING VALUE CREATION AMONG OUR STAKEHOLDERS

2021

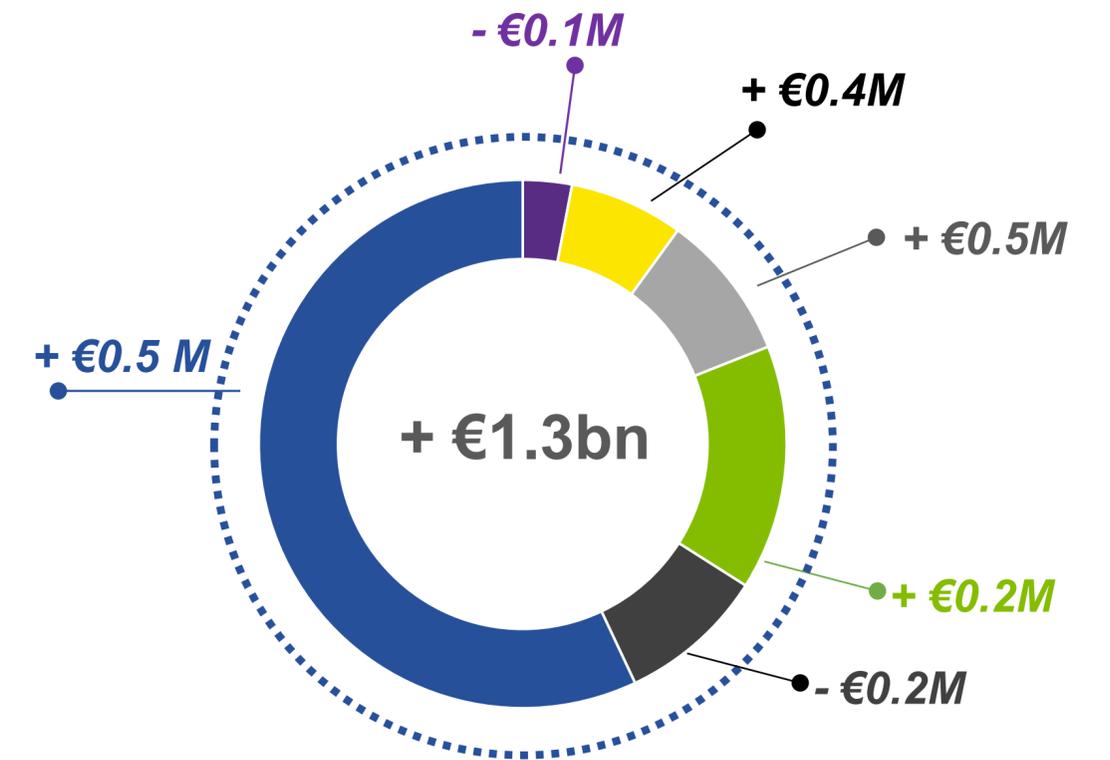
Employees  
(wages and  
payroll taxes)



\*The value we have created will be shared based on the amount set for the 2021 dividend, which will be paid at the end of the 2022 Shareholders Meeting



## CHANGE BETWEEN 2020 AND 2021





# ***OUTLOOK***



**◆ IN Q1 2022, OPERATIONAL DISRUPTIONS AND INFLATIONARY PRESSURES WERE EXACERBATED BY THE CONFLICT IN UKRAINE AND THE RESURGENCE OF COVID-19 IN CHINA**

2021

2022



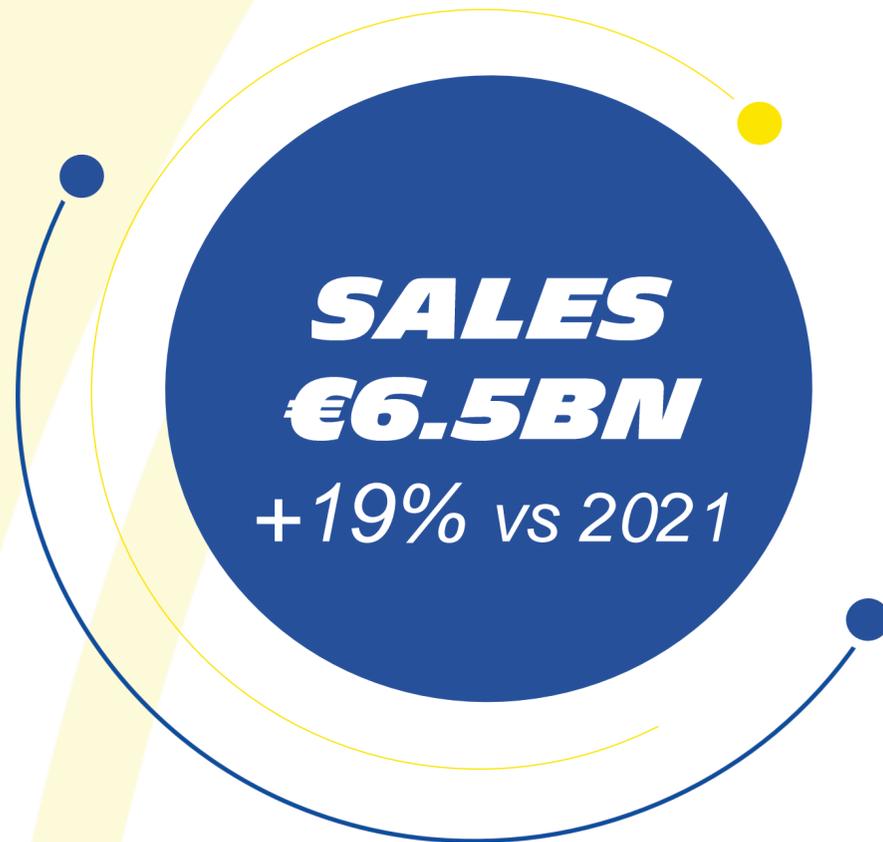
**Unpredictable health situation**

**Transportation crisis**

**Further increase in costs**  
(raw materials, energy inputs, logistique services)

**Labor shortages**

**◆ IN A DISRUPTED ENVIRONMENT, SALES IN Q1 2022 ARE UP 19% YEAR-ON-YEAR**



## **SALES IN FIRST-QUARTER 2022**

- Dynamic pricing management
- Dynamism of the Replacement market in Passenger car and light truck despite a more difficult month of March
- Strong growth in non-tire businesses

**THE GROUP  
MAINTAINS  
ITS GUIDANCE  
FOR 2022**

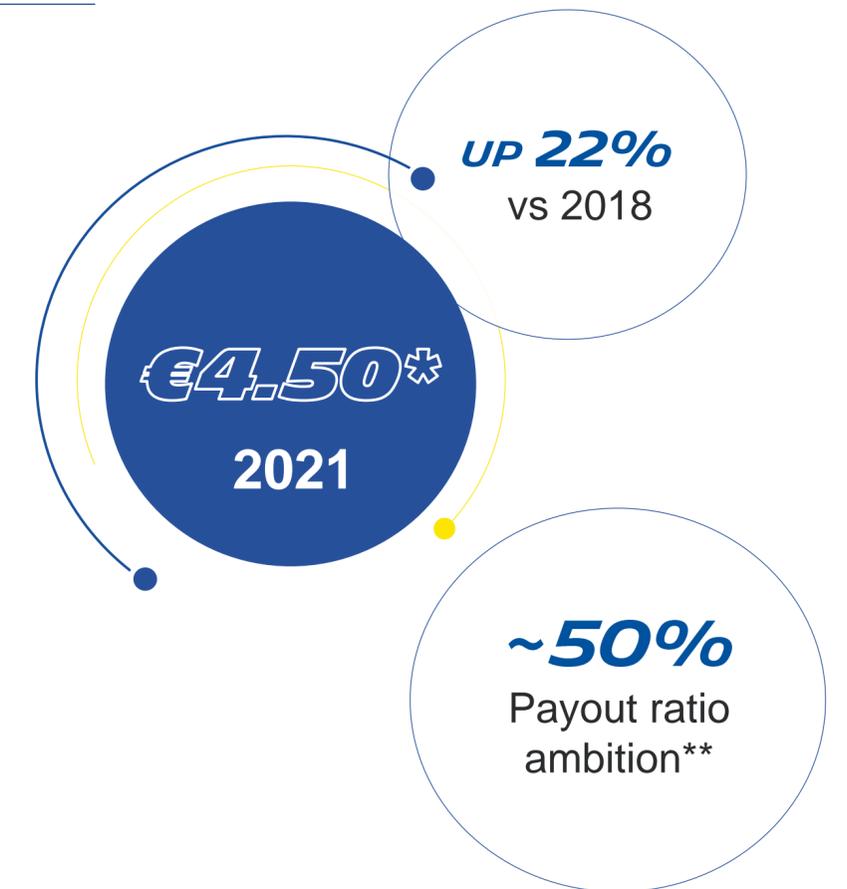
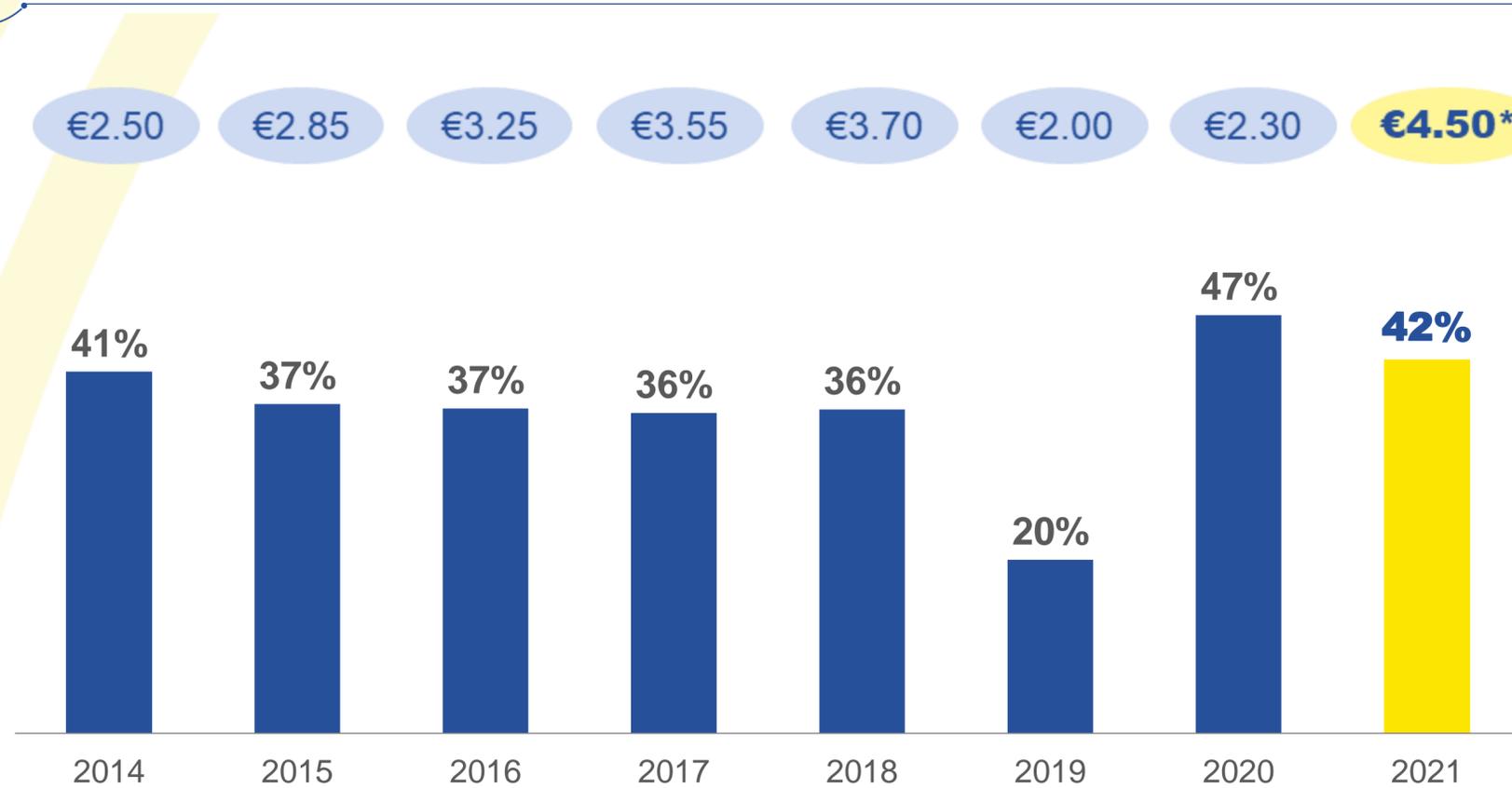


# ***MICHELIN AND HIS SHAREHOLDERS***



# INVESTING IN MICHELIN MEANS SHARING THE ALL SUSTAINABLE VISION IN A COMMITMENT TO CREATING MORE VALUE FOR EVERYONE

## DIVIDEND PER SHARE (€) AND PAYOUT RATIO (%)



**CONSISTENTLY DELIVERED ABOVE 35%  
DIVIDEND PAYOUT**

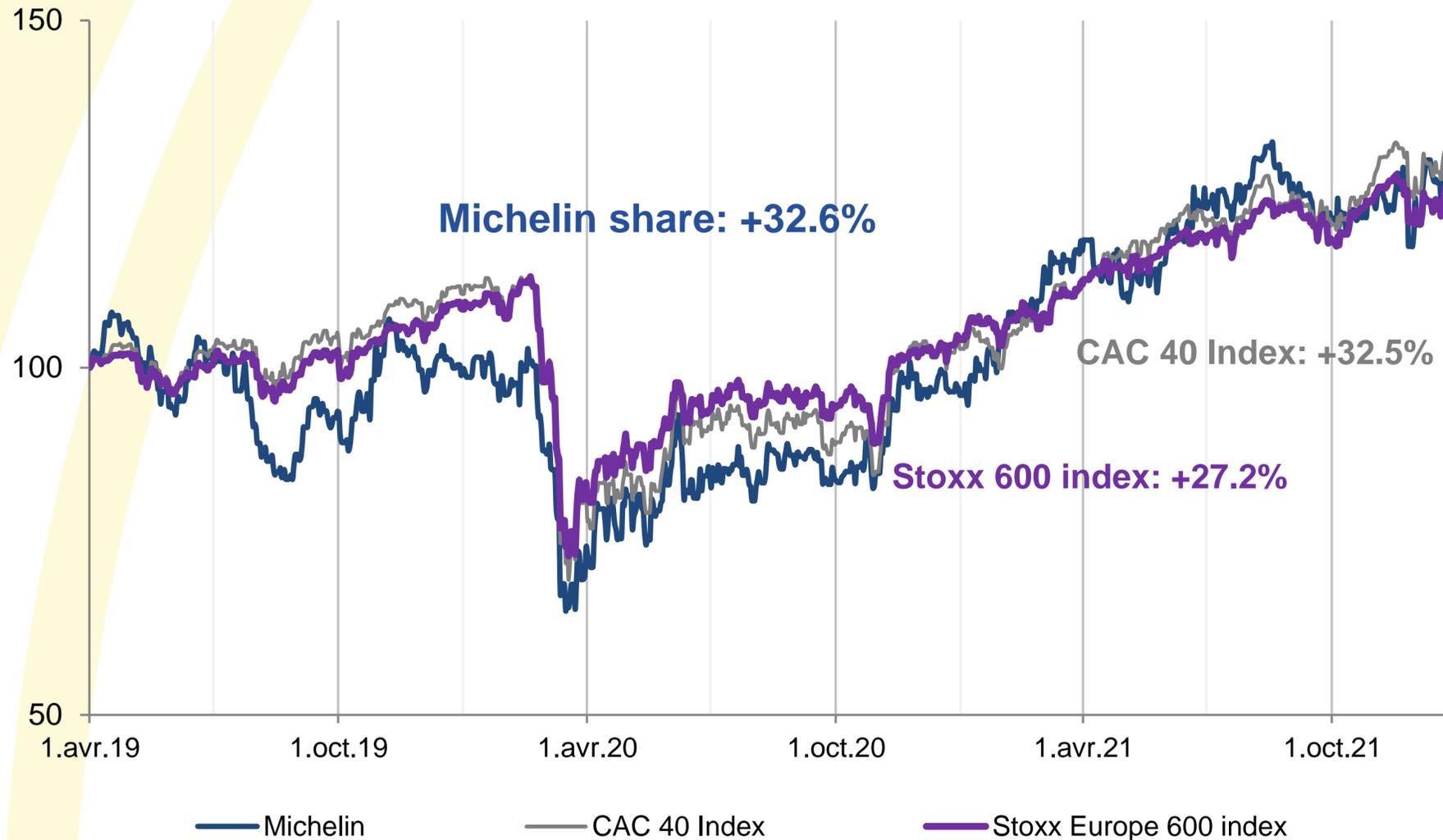
*(except the dividend voted in 2020 for 2019 due to the pandemic)*

\* Subject to approval by the Annual Shareholders Meeting of May 13, 2022

\*\* before non-recurring items

# INVESTING IN MICHELIN MEANS SHARING THE ALL SUSTAINABLE VISION IN A COMMITMENT TO CREATING MORE VALUE FOR EVERYONE

## MICHELIN SHARE PRICE AND CAC 40 INDEX SINCE THE BEGINNING OF 2019\*



\*Michelin share price and CAC 40 index at April 1, 2019 (base: 100), Source: Euronext  
 \*\*Subject to shareholder approval at the 2022 Shareholders Meeting



Total Shareholder Return at December 31, 2021  
 Source: Michelin Estimate

- 4-for-1 stock split\*\*
- Employee share ownership plans on an annual basis from 2022
- Anti-dilutive and/or opportunistic share buyback programs

# ***STATUTORY AUDITOR'S REPORTS***

*FRÉDÉRIC GOURD –  
DELOITTE & ASSOCIÉS*



## **REPORTS TO YOUR ATTENTION**

- **Statutory auditors' report on the consolidated financial statements**
- **Statutory auditors' report on the annual financial statements**
- **Statutory auditors' special report on related-party agreements**
- **Statutory auditors' reports on the resolutions submitted to the Extraordinary Shareholders' meeting**

# REPORTS ON THE CONSOLIDATED FINANCIAL STATEMENTS AND ON THE ANNUAL FINANCIAL STATEMENTS

Report	Opinion	Justification of Assessments – Key Audit Matters
<p><b>Report on the consolidated financial statements</b> <i>(3rd resolution)</i></p> <p>- <i>Universal Registration Document</i> <i>(pages 391 to 395)</i></p>	<p>Unqualified opinion</p>	<ul style="list-style-type: none"> <li>- The valuation of goodwill and intangible assets ;</li> <li>- Measurement of the employee benefit obligations under defined benefit plans</li> <li>- Risk assessment relating to tax litigation in Germany</li> </ul>
<p><b>Report on the annual financial statements</b> <i>(1st resolution)</i></p> <p>- <i>Universal Registration Document</i> <i>(pages 410 to 412)</i></p>	<p>Unqualified opinion</p>	<ul style="list-style-type: none"> <li>- Valuation of shares in subsidiaries and affiliates</li> </ul>

# ◆ **STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS**

Report	Observation
<p><b>Special report on related-party agreements</b> <i>(4th resolution)</i></p> <p>-</p> <p><i>Universal Registration Document</i> <i>(page 413)</i></p>	<ul style="list-style-type: none"> <li>- No such agreement authorized during the past financial year</li> <li>- No such agreement authorized during previous financial years, the effects of which would have continued during the past financial year</li> </ul>

# ◆ **STATUTORY AUDITORS' REPORTS ON THE RESOLUTIONS SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING**

Report	Observation
<p><b>Report on the issue of shares and/or various securities, with or without pre-emptive subscription rights</b>  <i>(19th, 20th, 21st, 22nd, 23rd resolutions)</i></p> <p>-</p> <p><i>Universal Registration Document (pages 463 to 464)</i></p>	<p>- No matters to report on the methods used to set the issue price of the equity securities to be issued</p>
<p><b>Report on the rights issue reserved for members of a Group employee shareholder plan</b>  <i>(26th resolution)</i></p> <p>-</p> <p><i>Universal Registration Document (page 465)</i></p>	<p>- No matters to report on the methods used to set the issue price of the ordinary shares to be issued</p>
<p><b>Report on the capital reduction</b>  <i>(28th resolution)</i></p> <p>-</p> <p><i>Universal Registration Document (page 466)</i></p>	<p>- Nothing to report concerning the reasons for and the terms of the proposed capital reduction</p>

# ***GOVERNANCE***



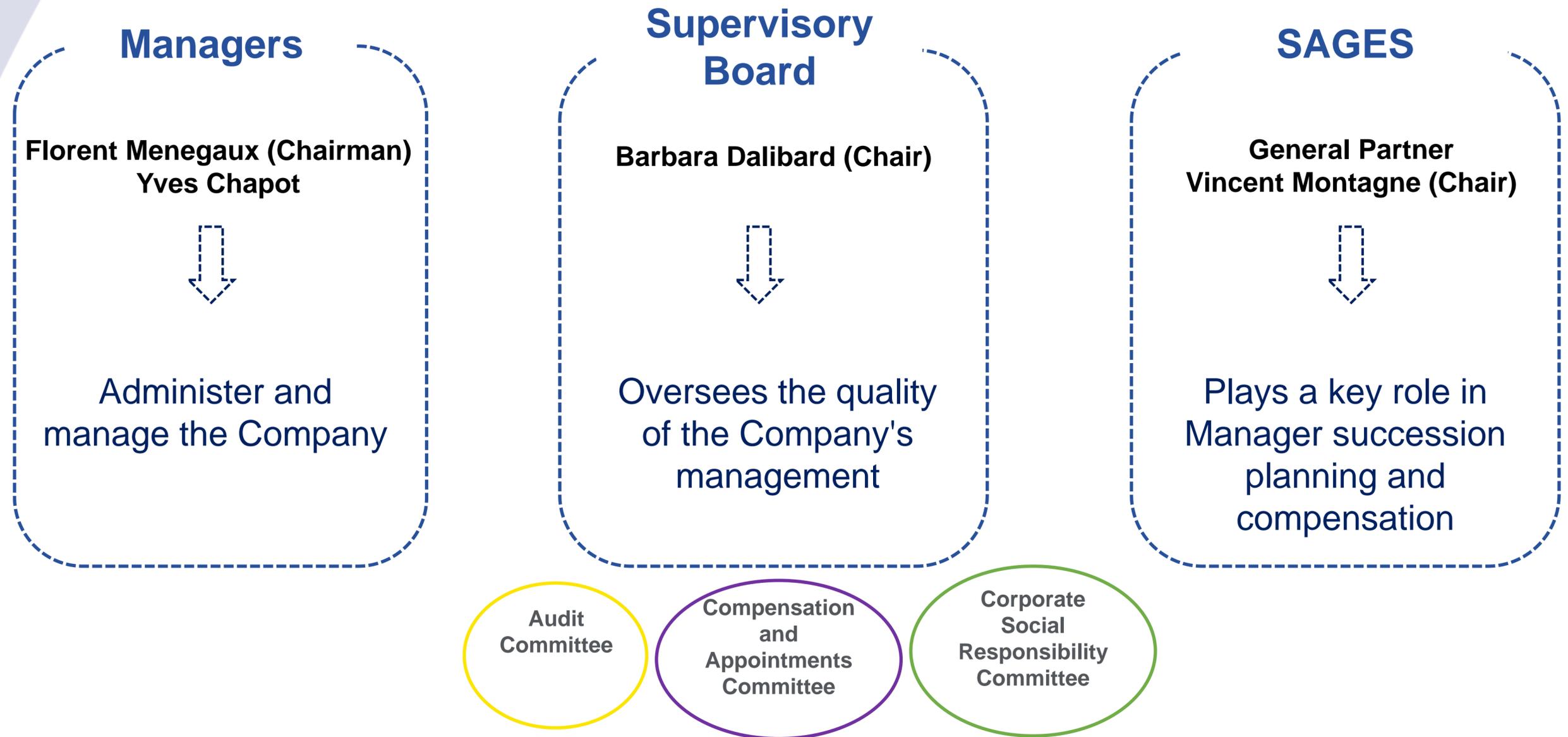


*BARBARA DALIBARD*

***CHAIR OF THE  
SUPERVISORY BOARD***



# AN AGILE AND ROBUST GOVERNANCE STRUCTURE UNDERPINNED BY THREE PILLARS



# ***SUPERVISORY BOARD: EXERCISING PERMANENT OVERSIGHT OF THE COMPANY'S MANAGEMENT ON BEHALF OF THE SHAREHOLDERS***

Oversees the **quality** of the Company's management

Reviews the Group's **strategy**

Issues recommendations regarding **significant investments and external growth transactions**

Sets performance criteria for the **Managers' compensation**

**8** meetings in 2021  
**100%** attendance

- Review of the Supervisory Board members' **independence**
- Assessment of the Supervisory Board's practices
- Organization of an **executive session** by the Senior Independent Member of the Supervisory Board

# SUPERVISORY BOARD: 11 MEMBERS INCLUDING 1 SENIOR INDEPENDENT MEMBER



**Barbara Dalibard**  
Non-independent Member

*Chair of the Supervisory Board*



**Jean-Pierre Duprieu**  
Independent Member

*Chairman of the CAC*



**Aruna Jayanthi**  
Independent Member

AC



**Anne-Sophie de La Bigne**  
Independent Member

CAC

CSRC



**Patrick de la Chevardière**  
Independent Member

*Chairman of the AC*



**Jean-Christophe Laourde**  
Member representing employees

CSRC



**Thierry Le Hénaff**  
Independent Member

*Senior Independent Member*

CAC



**Monique Leroux**  
Independent Member

*Chair of the CSRC*

AC



**Delphine Roussy**  
Member representing employees

CAC



**Jean-Michel Severino**  
Independent Member

CSRC



**Wolf-Henning Scheider**  
Independent Member

AC

**89%**

*are independent members\**

**45%**

*are women\**

**33%**

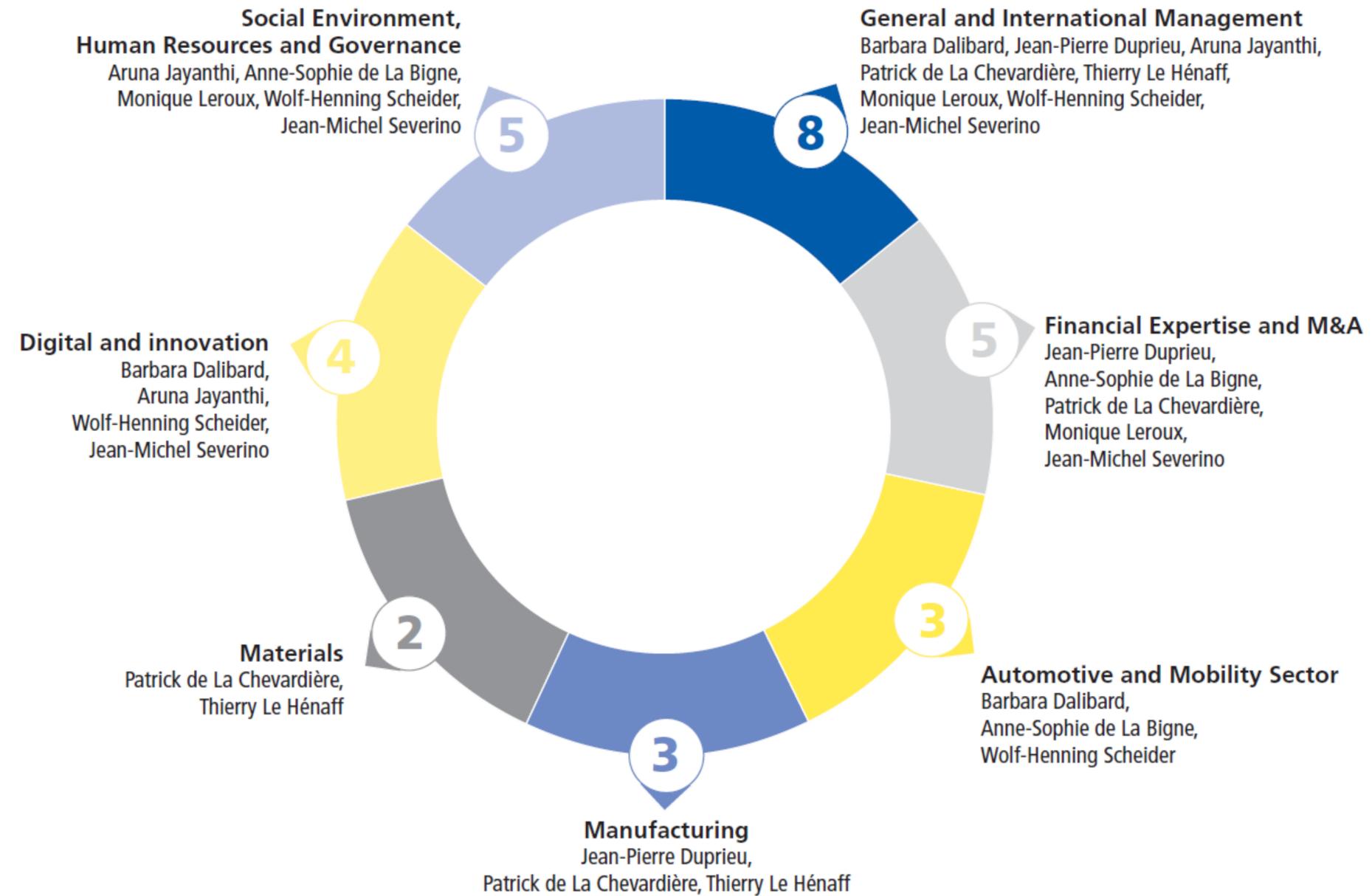
*are non-French nationals\**

*\*excluding the members representing employees*

- Audit Committee
- Compensation and Appointments Committee
- Corporate Social Responsibility Committee



# SUPERVISORY BOARD MEMBERS' SKILLS MAP



# **AUDIT COMMITTEE**

## Role and responsibilities

- Addressing issues related to the preparation and control of accounting and financial information
- Reviewing all of the Group's risks, monitoring the effectiveness of internal control and risk management systems, and analyzing their accounting treatment and the related disclosures
- Verifying the Statutory Auditors' independence and objectivity and issuing an opinion about their appointment or re-appointment
- Meeting with the Statutory Auditors once a year without members of Management



Patrick de la Chevardière  
(Chairman)



Aruna Jayanthi



Wolf-Henning Scheider



Monique Leroux

**100%**

*independent members*

## Activities in 2021

- Review of the financial statements
- Review of risk management procedures
- Review of the audit plan
- Review of the impact of global warming → *together with the CSR Committee*
- Review of cybersecurity risks
- Consideration of the re-appointment of the Statutory Auditors

**4** meetings\* in 2021

**100%** attendance

\* scheduled



# COMPENSATION AND APPOINTMENTS COMMITTEE

**100%**  
independent members\*

*\*excluding the member representing employees*



Jean-Pierre Duprieu  
(Chairman)



Anne-Sophie de La Bigne



Thierry Le Hénaff



Delphine Roussy

## Role and responsibilities

- Analyzing and recommending to the Supervisory Board:
  - Terms of the Managers' compensation and related objectives
  - Employee performance share plan policies
- Assessing the results achieved by the Managers against the agreed objectives and presenting its recommendation to the Supervisory Board
- Reviewing the Group's diversity policy and the percentage of women in the Group's management bodies

## Activities in 2021

Review of the corporate officers' compensation

Review of the Managers' succession plan

**3** meetings in 2021

**100%** attendance



# CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**100%**  
independent members\*

*\*excluding the member representing employees*



Monique Leroux  
(Chair)



Jean-Michel  
Severino



Anne-Sophie  
de La Bigne



Jean-Christophe  
Laourde

## Role and responsibilities

- Reviewing the Group's CSR strategy, objectives, policies and commitments
- Ensuring the integrity, completeness and outstanding quality of the CSR strategy and initiatives implemented by the Group
- Ensuring that the Group is fully committed in terms of non-financial compliance, ethics and corporate social responsibility, in line with its stakeholders' expectations

## Activities in 2021

Review of non-financial performance indicators  
Review of the decarbonization plan  
Analysis of Group salary policy

**3** meetings in 2021

**100%** attendance

# ◆ **ACTIVITY OF THE CSR COMMITTEE IN 2021**

## **ENVIRONMENTAL RESPONSIBILITY**

- Detailed review of the Group's decarbonization plan
- Review of European Taxonomy reporting to be done in 2022
- Review of negative environmental externalities and their integration into the Group's financial results

## **REVIEW OF NON-FINANCIAL PERFORMANCE INDICATORS**

- Review of the Group's rankings in terms of sustainability
- Review of the Group's Duty of Care Plan
- Analysis of the Group's alignment with the principles of the Climate Task Force
- Analysis of regulatory developments (European Taxonomy, ISSB, etc.)
- Consideration of double materiality

## **SOCIAL RESPONSIBILITY**

- Review of the Group's decent wage policy
- Review of the diversity and inclusion policy
- Analysis of the Health & Safety audit (excluding manufacturing) and action plans

# ***THE RESOLUTIONS SUBMITTED TO THE 2022 ANNUAL SHAREHOLDERS MEETING***

- Ordinary financial resolutions
- Extraordinary financial authorizations (*including stock split*)
- Re-appointment of the Statutory Auditors
- Resolutions concerning corporate officers' compensation
- Re-election of Monique Leroux, Thierry Le Hénaff and Jean-Michel Severino, members of the Supervisory Board



*JEAN-PIERRE DUPRIEU*

***CHAIRMAN OF THE  
COMPENSATION AND  
APPOINTMENTS  
COMMITTEE***





- **2021 compensation of the Managers and the Supervisory Board members**
- **2022 compensation policy for the Managers and the Supervisory Board members**
- **Supervisory Board membership**



**2021 compensation of the  
Managers and the Supervisory  
Board members**

## 2021 COMPENSATION AWARDED TO THE MANAGERS: SUMMARY

2021 compensation (rounded, in € thousands)	Fixed compensation <sup>(1)</sup>	Annual variable compensation	Deferred variable compensation Performance shares (provision)	Other benefits (company car)
F. Menegaux	900	1,350	727 <sup>(2)</sup>	10
Y. Chapot	600	824	485 <sup>(3)</sup>	10

(1) Amounts unchanged since the election of the Managers by the 2018 Annual Shareholders Meeting; the amounts received in 2021 were higher than those received in 2020 (€844k and €562k, respectively), when the Managers voluntarily reduced their compensation by 25% for the three-month period during which Michelin employees were furloughed in France

(2) book value – determined in accordance with IFRS 2 – (2021 financial statements) of the 8,397 share rights awarded in November 2021

(3) book value – determined in accordance with IFRS 2 – (2021 financial statements) of the 5,598 share rights awarded in November 2021

# FLORENT MENEGAUX COMPENSATION FOR 2021: ACHIEVEMENT OF CRITERIA FOR THE ANNUAL VARIABLE COMPONENT

Criteria unchanged

Quantitative criteria	Segment operating income <sup>(1)</sup>	Annual structural free cash flow	Level of consolidated net income
Indicator: 2021 actual amount	€3,108m	€1,793m	€1,845m
Achievement rate <sup>(2)</sup>	8%/8%	8%/8%	4%/4%

Quantifiable qualitative criteria	Deployment of the six strategic transformations	CSR/TCIR <sup>(3)</sup>	Acquisition synergies <sup>(4)</sup>
Achievement rate <sup>(5)</sup>	1.32%/2%	0%/1%	1%/1%

→ Overall achievement rate : 18.32%/20%<sup>(6)</sup>

(1) SOI: based on 2020 exchange rates and consolidation scope

(2) As a % of Profit Share achieved/maximum % attributable, capped at 16%

(3) Total Case Incident Rate

(4) Scope: Camso, Fenner, Multistrada and Masternaut (based on 2020 exchange rates)

(5) As a % of Profit Share achieved/maximum % attributable

(6) Share achieved/maximum attributable share

# YVES CHAPOT COMPENSATION FOR 2021: ACHIEVEMENT OF CRITERIA FOR THE ANNUAL VARIABLE COMPONENT

Criteria unchanged

Quantitative criteria	Segment operating income <sup>(1)</sup>	Annual structural free cash flow	Level of consolidated net income
Indicator: 2021 actual amount	€3,108m	€1,793m	€1,845m
Achievement rate/Maximum rate <sup>(2)</sup>	40/40	40/40	20/20

Quantifiable qualitative criteria	Deployment of the six strategic transformations	CSR/TCIR <sup>(3)</sup>	Acquisition synergies <sup>(4)</sup>
Achievement rate/Maximum rate	6.6/10	0/5	5/5

→ Overall achievement rate : 91.6/100<sup>(5)</sup>

(1) SOI: based on 2020 exchange rates and consolidation scope

(2) Capped at 80

(3) Total Case Incident Rate

(4) Scope: Camso, Fenner, Multistrada and Masternaut (based on 2020 exchange rates)

(5) Share achieved/maximum attributable share

## 2019 LONG-TERM INCENTIVE BONUS PAYABLE TO THE MANAGERS IN 2022

<b>Criteria</b>	<b>Growth in the Michelin share price compared with that of the CAC 40 index<sup>(1)</sup> (over the 2019-2021 period)</b>	<b>Michelin Environmental Footprint (MEF)<sup>(2)</sup> (over the 2019-2021 period)</b>	<b>Employee engagement rate (Moving Forward Together survey) (over the 2019-2021 period)</b>	<b>Change in consolidated operating income<sup>(3)</sup> (over the 2019-2021 period)</b>
Achievement of each criteria	9.03 pts	-0.97 pts	0.33 pts	€127m
Individual achievement rates: - F. Menegaux - Y. Chapot	6.6%/11% 21.07%/35%	1.5%/4% 5%/15%	0.67%/4% 2.5/15%	2.95%/11% 9.39%/35%
Overall achievement rate: - F. Menegaux - Y. Chapot		11.72%/30% 37.96%/100%		<b>Criteria unchanged</b>
Amount due - F. Menegaux - Y. Chapot		€1,300,000 €228,000		

(1) Average share price for the second half of 2021 compared to the average share price for the second half of 2018

(2) Michelin Environmental Footprint (MEF) indicator: energy use, water withdrawals, CO<sub>2</sub> emissions, volatile organic compound emissions, amount of waste produced and amount of waste landfilled

(3) Before non-recurring items, based on the Group's current business scope, at constant exchange rates and with consistent accounting methods



## **2021 COMPENSATION AWARDED TO THE CHAIRS OF THE SUPERVISORY BOARD**

<b>2021 compensation (rounded, in € thousands)</b>	<b>Compensation as Supervisory Board member</b>	<b>Other compensation</b>
Barbara Dalibard Chair of the Supervisory Board since May 2021	91	-
Michel Rollier Chairman of the Supervisory Board until May 2021	48	-

- Compensation solely for service as a Supervisory Board member
- Most of the compensation (60%) for Supervisory Board members is contingent on their attendance rate at meetings of the Supervisory Board and the Committee of which they are a member
- Barbara Dalibard chaired all the meetings of the Supervisory Board held after her election to the Board at the May 21, 2021 Annual Shareholders Meeting
- Michel Rollier chaired all the meetings of the Supervisory Board held up to the end of his term, which expired at the close of the May 21, 2021 Annual Shareholders Meeting

## COMPENSATION PAID TO THE MANAGERS AND CHAIRS OF THE SUPERVISORY BOARD IN 2021

Compensation <i>(rounded, in € thousands)</i>	F. Menegaux	Y. Chapot	B. Dalibard	M. Rollier
Fixed compensation	900 <sup>(1)</sup>	600	80	120
Annual variable compensation <i>(in respect of the previous year)</i>	581	517	-	
Other benefit <i>(company car)</i>	10	10	-	
Long-term incentive bonus <i>(in respect of a previous year)</i>	180	150	-	

(1) Compensation paid by Manufacture Française des Pneumatiques Michelin (MFPM) in consideration of his role as General Manager of the Company.

# FAIR PAY RATIOS

Scope and methodology identical to those used in the previous year

	2021	% change 2021/2020	2020
<b>Chairman of the Supervisory Board</b>			
Change in compensation		+6.4%	
Ratio versus average employee compensation	2.1		2.1
Ratio versus median employee compensation	2.8		2.7
<b>Managing Chairman</b>			
Change in compensation		-6.5%	
Ratio versus average employee compensation	42.9		47.1
Ratio versus median employee compensation	55.9		61.0
<b>General Manager</b>			
Change in compensation		+28.6%	
Ratio versus average employee compensation	31.5		25.1
Ratio versus median employee compensation	41.0		32.6
<b>Growth in segment operating income (SOI) (at constant exchange rates)</b>		-33.4%	
<b>Growth in sales (at constant exchange rates)</b>		-12.6%	

## COMPENSATION AWARDED FOR 2021 OR PAID DURING THAT YEAR TO MEMBERS OF THE SUPERVISORY BOARD

Members of the Supervisory Board	Amounts awarded in respect of 2021 (rounded, in € thousands)	Amounts paid in 2021 (paid in respect of 2020, rounded, in € thousands)
Barbara Dalibard	91	80
Jean-Pierre Duprieu	72	62
Aruna Jayanthi	58	70
Anne-Sophie de La Bigne	72	65
Patrick de La Chevardière	77	44
Jean-Christophe Laourde	52	9
Thierry Le Hénaff	72	68
Monique Leroux	86	80
Michel Rollier	48	120
Delphine Roussy	52	9
Wolf-Henning Scheider	34	N/A
Jean-Michel Severino	58	18
<i>Olivier Bazil (former member)</i>	N/A	35
<i>Cyrille Poughon (former member)</i>	N/A	47
<b>TOTAL</b>	<b>770</b>	<b>709</b>



**2022 compensation policy for the  
Managers and the Supervisory  
Board members**

## **MANAGERS' 2022 COMPENSATION POLICY**

- **Fixed compensation: first increase in four years to a level set to remain stable for the next four years of the Managers' term**
  - An upgrade in line with the compensation of executives of comparable French listed companies (companies in the CAC 40 index), recommended by the Compensation and Appointments Committee for 2021 and postponed to 2022 due to the economic situation linked to the Covid-19 crisis
  - The Supervisory Board and the Non-Managing General Partner (SAGES) consider the upgrade to be justified in light of the Managers' achievements during their first term of office

## **MANAGERS' 2022 COMPENSATION POLICY**

- **Fixed compensation: first increase in four years to a level set to remain stable for the next four years of the Managers' term**
  - For Florent Menegaux, Managing Chairman and General Partner: his fixed compensation would be raised to the median base compensation of the Chief Executives of CAC 40 companies, i.e., €1,100,000 per year (*with effect on a pro rata basis from June 1, 2022*)
  - For Yves Chapot, General Manager, this would be an increase to the median base compensation of the Chief Operating Officers of CAC 40 companies, i.e., €770,000 per year (*with effect on a pro rata basis from June 1, 2022*)

## **MANAGERS' 2022 COMPENSATION POLICY**

- **Annual variable compensation: continuation of the 2021 policy with formal and additional consideration of social and climate objectives**
  - Alignment of quantitative (financial and non-financial) criteria with those applicable to Michelin employees; these criteria are recommended by the Supervisory Board, approved by the General Partners and then monitored by the Supervisory Board
  - Introduction of new quantifiable qualitative criteria relating to:
    - percentage of women in management positions
    - level of CO<sub>2</sub> emissions (Scopes 1 and 2 and upstream/downstream transportation activities in Scope 3)
  - Annual variable compensation capped at 150% of fixed compensation

## **MANAGERS' 2022 COMPENSATION POLICY**

- **Long-term variable compensation: continuation of the 2021 policy, performance share grants**
  - Subject to performance conditions aligned with the financial and non-financial criteria applicable to Michelin employees over three years
  - Award decided on the recommendation of the General Partners, after the performance conditions and criteria have been determined by the Supervisory Board
  - Award subject to a double cap for the Managers:
    - ➔ individual cap set in relation to their fixed compensation (140% for Mr. Menegaux, 120% for Mr. Chapot)
    - ➔ collective cap set at 0.05% of the capital for the duration of the authorization
  - Award subject to the requirement to hold 40% of the vested shares for as long as the Managers remain in office

# MANAGERS' 2022 COMPENSATION POLICY

Fixed compensation <sup>(1)</sup>	Annual variable compensation	Long-term incentive bonus: performance shares <sup>(3)</sup>	
<ul style="list-style-type: none"> <li>- For F. Menegaux: New compensation prorated in 2022 : €1,016,000</li> <li>- For Y. Chapot: New compensation prorated in 2022 : €700,000</li> </ul>	<b>Quantitative criteria</b> <ul style="list-style-type: none"> <li>•Consolidated net income</li> <li>•Segment operating income (SOI)</li> <li>•Structural free cash flow</li> </ul>	<b>Criteria</b>	
	<b>Quantifiable qualitative criteria</b> <ul style="list-style-type: none"> <li>•Deployment of the transformations linked to the Group's new strategy</li> <li>•Employee safety</li> <li>•Unlocking of acquisition synergies</li> </ul>	Share performance	Growth in the Michelin share price compared with that of the Stoxx Europe 600 index
	<p><b>Two new criteria:</b></p> <ul style="list-style-type: none"> <li>•Percentage of women in management positions</li> <li>•Level of CO<sub>2</sub> emissions (Scopes 1 and 2 and upstream/downstream transportation activities in Scope 3)</li> </ul> <p><b>Capped at 150% of fixed compensation<sup>(2)</sup></b></p>	Corporate Social Responsibility performance	Change in the Industrial - Michelin Environmental Performance (i-MEP) indicator
		Operating performance	Change in the Michelin employee engagement rate
		Growth in revenue (excluding tires and distribution)	Return on capital employed (ROCE) for the Group

(1) For F. Menegaux, fixed compensation is paid by Manufacture Française des Pneumatiques Michelin (MFPM) in consideration of his role as General Manager of this subsidiary

(2) For F. Menegaux, the annual variable compensation is subject to a second cap set at 20% of the Profit Share due to the General Partners

(3) For F. Menegaux, the shares may only be delivered if the Profit Share has been distributed in respect of the year preceding the one in which the shares are issued

## **MANAGERS' 2022 COMPENSATION POLICY: BENEFITS AND OTHER ADVANTAGES**

- **Entitlements to additional benefits and other advantages would be unchanged from 2021<sup>(1)</sup>**
  - Compensation for loss of office as a result of a change of strategy or a change of control, subject to performance conditions decided by the Supervisory Board
  - Non-compete indemnity: in line with the AFEP/MEDEF Code, the amount of benefits would be reduced (if applicable), so that the aggregate severance package would not exceed the last two years' compensation
  - Other benefits: company car

*(1) No stock options or compensation for serving as a member of a Board of Directors of a Michelin Group company*



## **2022 COMPENSATION POLICY FOR THE SUPERVISORY BOARD MEMBERS**

- **Recommended revision of the maximum total annual compensation of €950,000, starting in 2022, due to:**
  - the increase in the number of Board members (two additional members)
  - the creation of a new committee, the Corporate Social Responsibility (CSR) Committee
- **Application of the same allocation rules defined in the 2021 Compensation Policy:**
  - Individual base compensation (€45,000)
  - Allocation of an additional amount to each member according to their role:
    - Chair(man) of the Board (€75,000)
    - Board Committee Chair (€30,000, or €35,000 for the Audit Committee)<sup>(1)</sup> or member (€15,000)
    - Senior Independent Member of the Board (€15,000)
    - Member residing outside continental Europe (€10,000 €)
  - Payment of 60% of the total amount receivable (base amount and any additional amounts) would depend on the member's attendance rate at meetings of the Supervisory Board and its Committees



**Supervisory Board membership**



## **CANDIDATES RECOMMENDED FOR RE-ELECTION TO THE SUPERVISORY BOARD**



**Thierry Le Hénaff**

- Independent member, Senior Independent Member and member of the Compensation and Appointments Committee since May 2021, (former member of the Audit Committee between 2018 and 2021)
- Chairman and Chief Executive Officer of Arkema



**Monique Leroux**

- Independent member, Chair of the Corporate Social Responsibility Committee, member of the Board since 2015 and member of the Audit Committee since 2017
- Corporate Director, former partner of EY (Canada) and former Chair and Chief Executive Officer of Desjardins Group (Canada)



**Jean-Michel Severino**

- Independent member, member of the CSR Committee, appointed by the Supervisory Board in November 2020
- Chairman of Investisseurs & Partenaires (impact fund management team specializing in financing and supporting African SMEs)

# ***INSIGHTS***

## *DECARBONIZING MICHELIN'S OPERATIONS*



# ***INSIGHTS***

*ELECTROMOBILITY AND  
MICHELIN'S TECHNOLOGICAL  
LEADERSHIP*

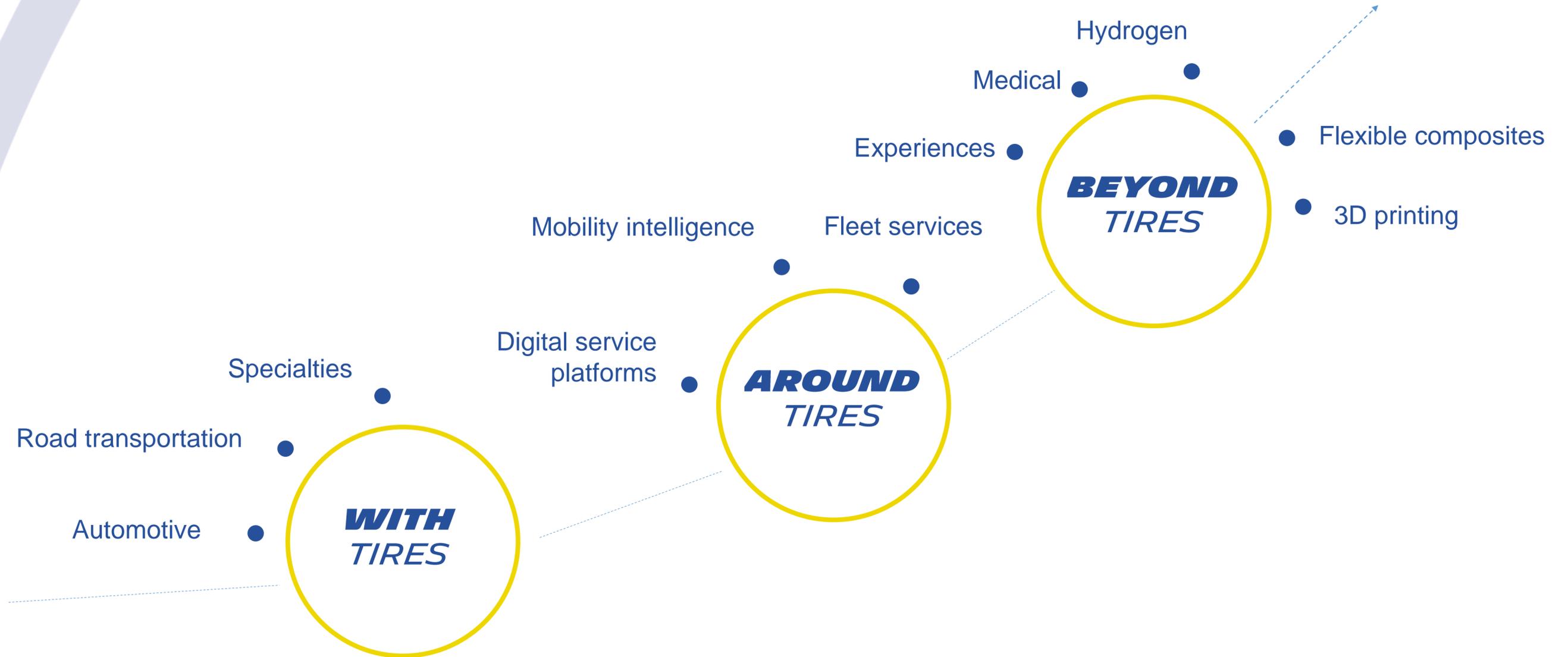


# ***STRATEGIC SPEECH***

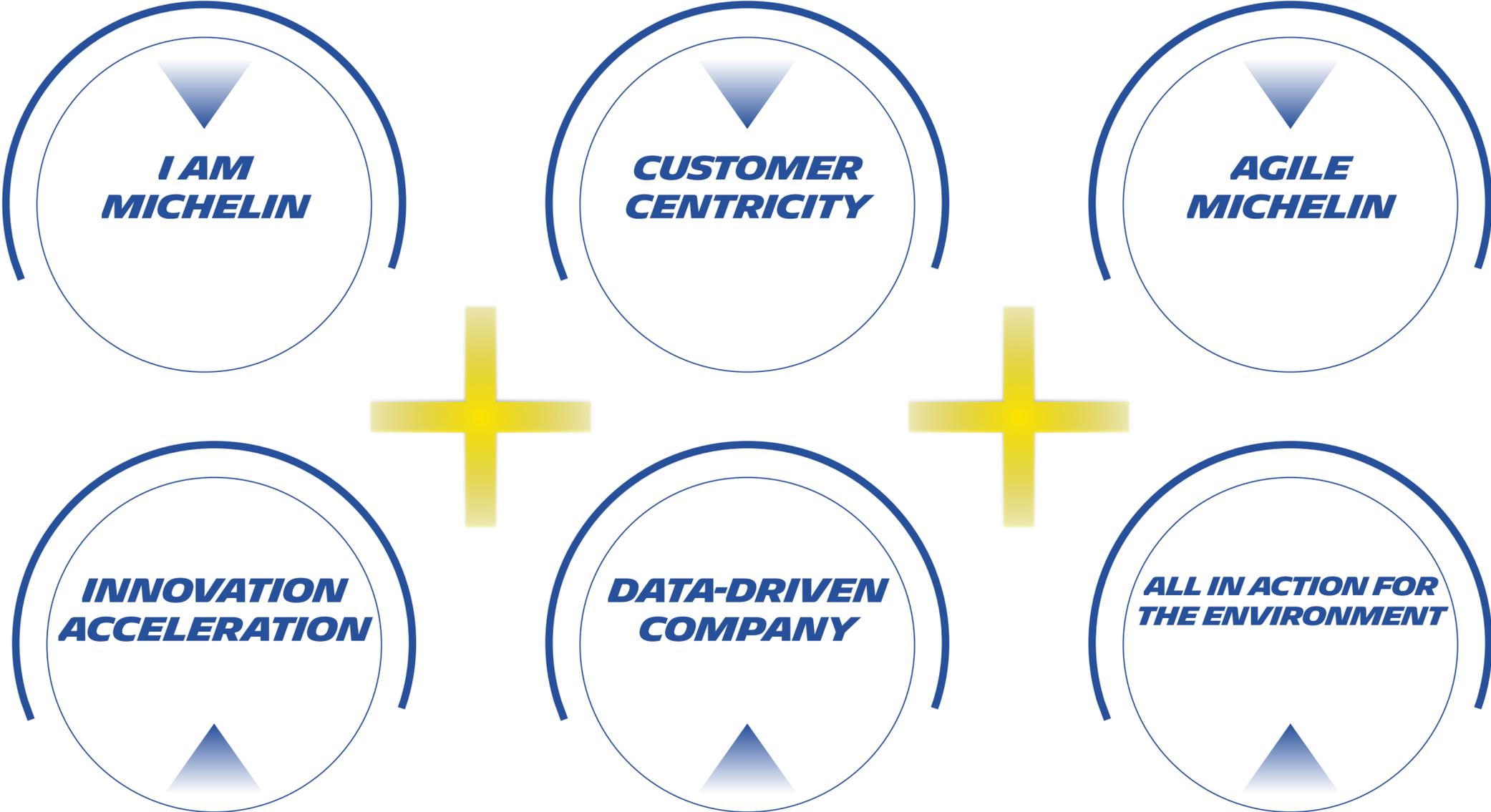
*FLORENT MENEGAUX  
MANAGING CHAIRMAN*



# 3 GROWTH AVENUES



# 6 TRANSFORMATIONS



# ***RESOLUTIONS***

*ÉRIC ANDRIEUX*  
*CORPORATE GENERAL COUNSEL*



# ***ORDINARY RESOLUTIONS***

## ◆ **1<sup>ST</sup>, 3<sup>RD</sup> AND 4<sup>TH</sup> RESOLUTIONS**

- Approval of the Company financial statements for the year ended December 31, 2021
- Approval of the consolidated financial statements for the year ended December 31, 2021
- Related-party agreements

## ◆ **2<sup>ND</sup> RESOLUTION**

- Appropriation of net income
- Approval of a dividend of €4.50
- The dividend will be paid as from May 19, 2022

## ◆ **5<sup>TH</sup> RESOLUTION**

- Authorization to carry out a share buyback program
  - Maximum purchase price: €220 per share
  - Maximum number of shares: not exceed to 10% of total shares outstanding
  - Not applicable during a public offer period

## ◆ **6<sup>TH</sup> AND 7<sup>TH</sup> RESOLUTIONS**

- Approval of the Compensation Policy applicable to the Managers
- Approval of the Compensation Policy applicable to members of the Supervisory Board

## ◆ **8<sup>TH</sup>, 9<sup>TH</sup>, 10<sup>TH</sup>, 11<sup>TH</sup> AND 12<sup>TH</sup> RESOLUTIONS**

- Approval of the disclosures concerning the compensation packages of the corporate officers
- Approval of the components of the compensation paid or awarded for the year ended December 31, 2021 to:
  - Mr Florent Menegaux
  - Mr Yves Chapot
  - Mrs Barbara Dalibard
  - Mr Michel Rollier

## ◆ **13<sup>TH</sup>, 14<sup>TH</sup> AND 15<sup>TH</sup> RESOLUTIONS**

- Re-election as a member of the Supervisory Board of :
  - Mr Thierry Le Hénaff
  - Mrs Monique Leroux
  - Mr Jean-Michel Severino

# ◆ **16<sup>TH</sup> RESOLUTION**

- Supervisory Board compensation

## ◆ **17<sup>TH</sup> AND 18<sup>TH</sup> RESOLUTIONS**

- Appointment of Statutory Auditors:
  - PricewaterhouseCoopers Audit
  - Deloitte & Associés

# ***EXTRAORDINARY RESOLUTIONS***

## ◆ **19<sup>TH</sup> , 20<sup>TH</sup> , 21<sup>ST</sup> AND 22<sup>ND</sup> RESOLUTIONS**

- Authorization for the Managers or either of them, to issue shares and/or equity securities carrying rights to other equity securities and/or other securities carrying rights to shares, with pre-emptive subscription rights for existing shareholders
- Authorization for the Managers, or either of them, to issue shares and/or equity securities carrying rights to other equity securities and/or other securities carrying rights to shares through a public offer not governed by Article L. 411-2, paragraph 1, of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders
- Authorization for the Managers or either of them, to issue shares and/or equity securities carrying rights to other equity securities and/or other securities carrying rights to shares through an offer governed by Article L. 411-2, paragraph 1, of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders
- Authorization for the Managers or either of them, for issues of shares and/or securities carrying rights to shares representing up to 10% of the capital in any 12-month period without pre-emptive subscription rights pursuant to the twentieth and twenty-first resolutions, to set the issue price by the method decided by the Shareholders Meeting

## ◆ **23<sup>TH</sup>, 24<sup>TH</sup>, 25<sup>TH</sup> AND 26<sup>TH</sup> RESOLUTIONS**

- Authorization for the Managers or either of them to increase the number of securities to be issued in the event that an issue, with or without pre-emptive subscription rights, is oversubscribed
- Authorization for the Managers or either of them to increase the Company's capital by capitalizing reserves, income or additional paid-in capital
- Authorization for the Managers or either of them to increase the Company's capital by issuing ordinary shares, without pre-emptive subscription rights for existing shareholders, in connection with a stock-for-stock offer or in payment of contributed assets
- Authorization for the Managers or either of them to carry out a rights issue for members of a Group employee shareholder plan and/or restricted share issues, without pre-emptive subscription rights for existing shareholders

## ◆ **27<sup>TH</sup>, 28<sup>TH</sup>, 29<sup>TH</sup> AND 30<sup>TH</sup> RESOLUTIONS**

- Blanket ceilings on issues of shares, securities carrying rights to shares and debt securities
- Authorization for the Managers or either of them to reduce the Company's capital by canceling shares
- Four-for-one stock split
- Powers to carry out formalities

# ***QUESTIONS & ANSWERS***

Ask your questions on [questionAG@michelin.com](mailto:questionAG@michelin.com)



# ***VOTING RESULTS***





# ***CLOSING***

*FLORENT MENEGAUX*  
*CHAIRMAN*





***ANNUAL  
GENERAL  
MEETING***

***MAY 13, 2022***

