

**2023**

*ANNUAL GENERAL  
MEETING*

*MAY 12, 2023*



# ***AGENDA***

- ***OPENING***
- ***2022 ACTIVITY & OUTLOOK***
- ***STATUTORY AUDITOR'S REPORTS***
- ***GOVERNANCE***
- ***INSIGHTS***
- ***STRATEGIC SPEECH***
- ***RESOLUTIONS***
- ***QUESTIONS & ANSWERS***
- ***VOTING RESULTS***



# ***OPENING***

*FLORENT MENEGAUX  
MANAGING CHAIRMAN*



# ***2022 ACTIVITY AND OUTLOOK***

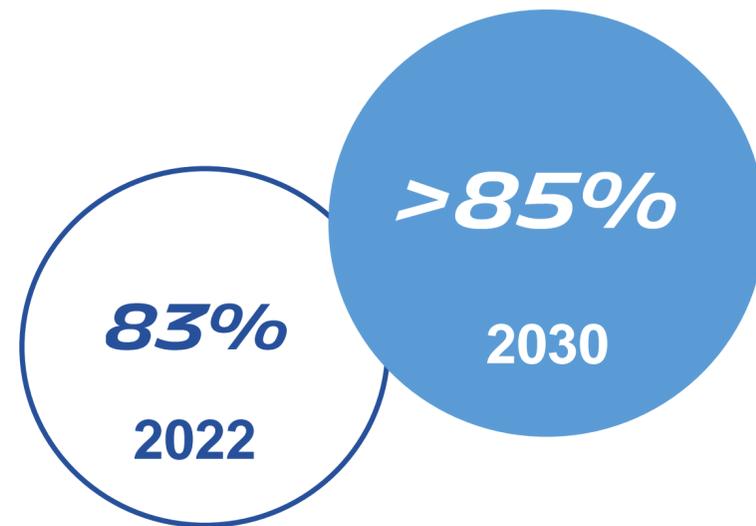
*YVES CHAPOT,  
GENERAL MANAGER  
AND CHIEF FINANCIAL OFFICER*

# ***2022 PERFORMANCE***

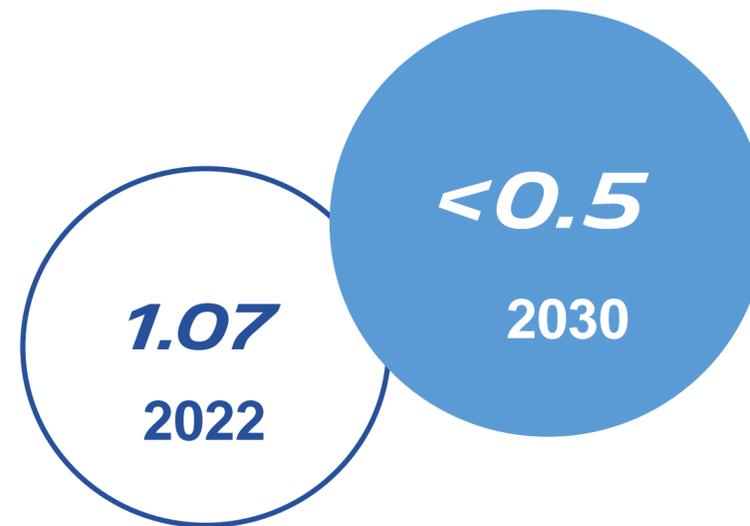


# PEOPLE

Set the global standard  
**FOR EMPLOYEE  
ENGAGEMENT AND SAFETY**

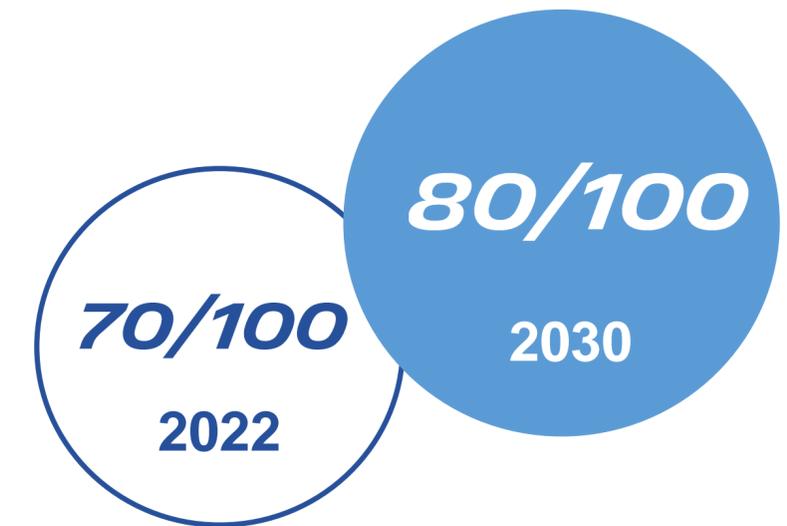


Indicator: Employee engagement rate



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

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



Indicator: IMDI, Diversities & Inclusion  
Management Index

Lead the industry  
**IN CREATING CUSTOMER  
VALUE**

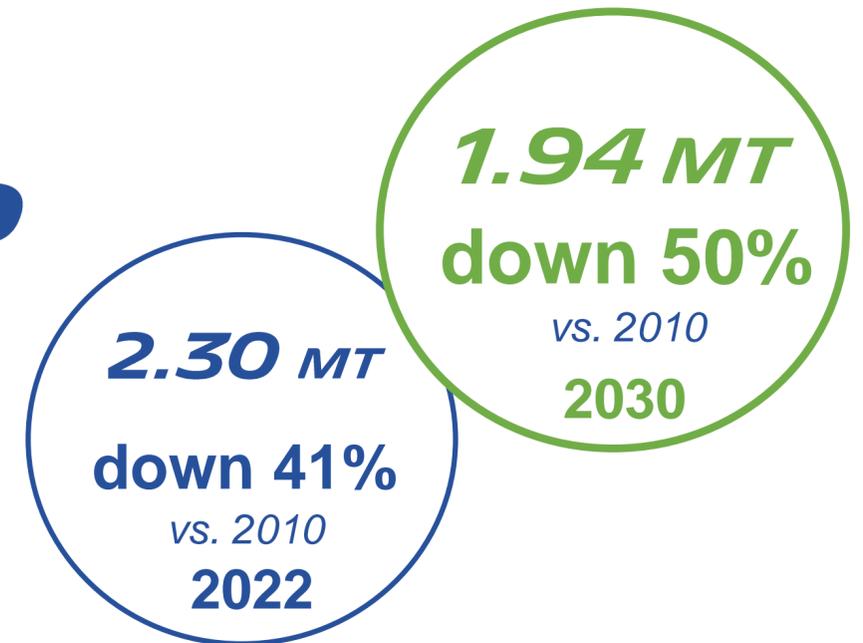
Indicator: Partner Net Promoter Score



# PLANET

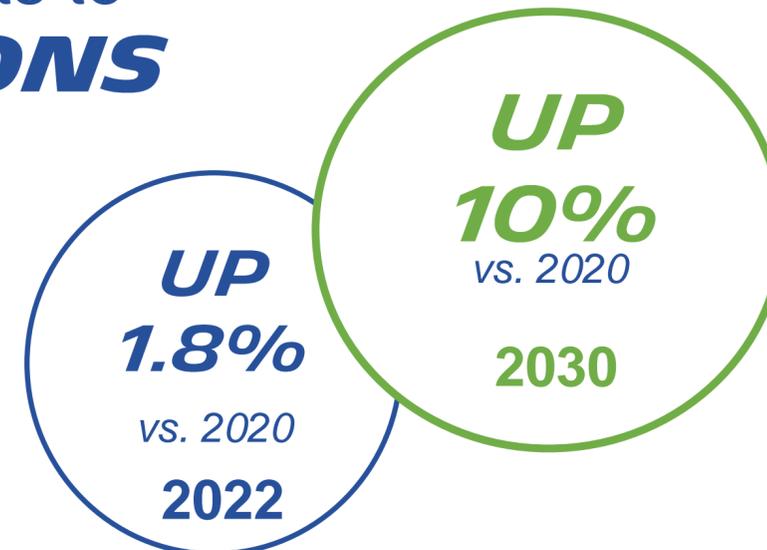
Reduce CO<sub>2</sub> emissions by 50% by 2030 to achieve  
**NET ZERO EMISSIONS IN 2050  
IN PRODUCTION OPERATIONS AND  
ENERGY USE**

Indicator: Scope 1 and 2 CO<sub>2</sub> emissions from the manufacturing facilities  
(in millions of tonnes)



Improve the energy efficiency of our products to  
help achieve **NET ZERO EMISSIONS  
IN USE**

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



# PLANET

Set the global standard for  
**THE ENVIRONMENTAL FOOTPRINT  
OF PRODUCTION PLANTS**

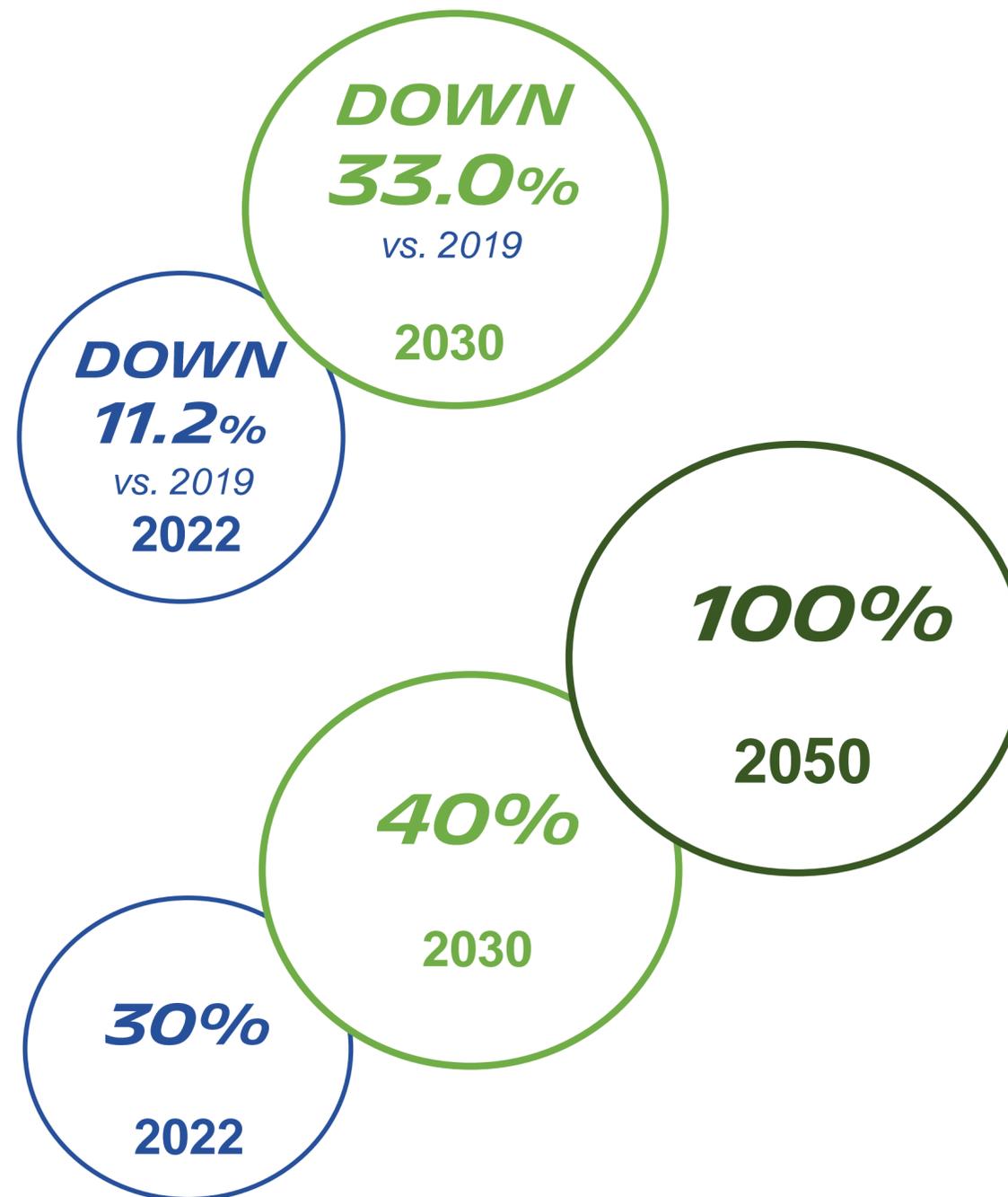
i-MEP indicator: Industrial – Michelin Environmental Performance

*(energy use, CO<sub>2</sub> emissions, organic solvent use, water withdrawals, and waste production)*

Achieve full circularity  
**IN OUR PRODUCTS BY 2050**

Indicator: percentage of renewable or recycled materials in tires

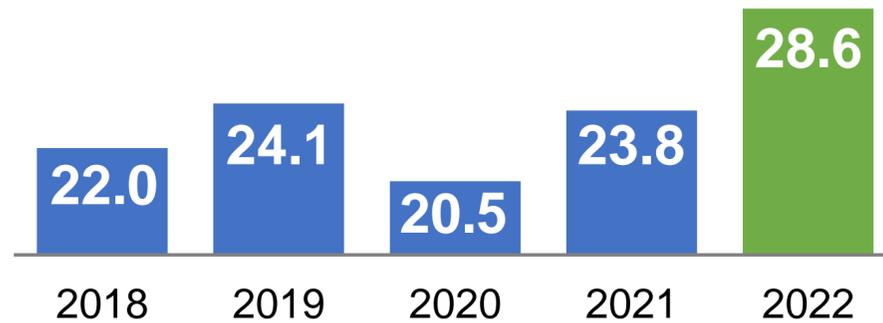
*(renewable bio-based materials are made from raw materials derived from natural resources that are naturally replenished on a human timescale, such as biomass)*



# BUSINESS PERFORMANCE

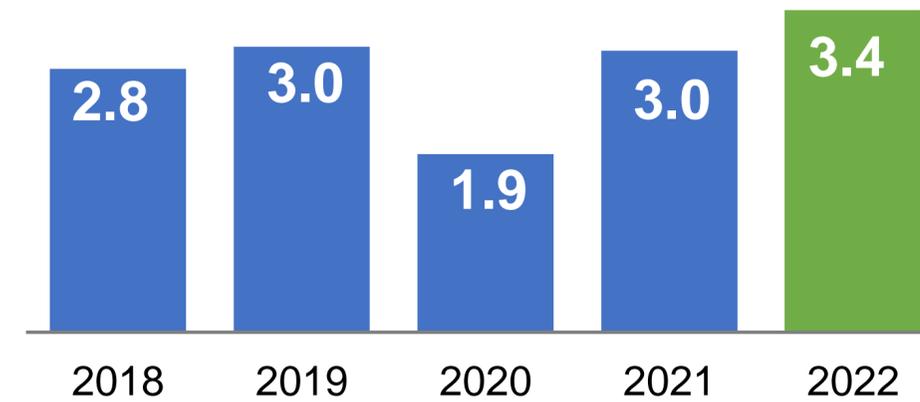
## Sales

in € billions



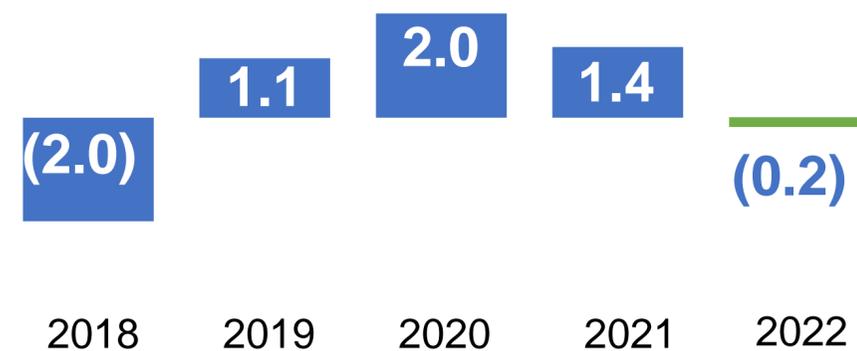
## Segment operating income

in € billions



## Free cash flow

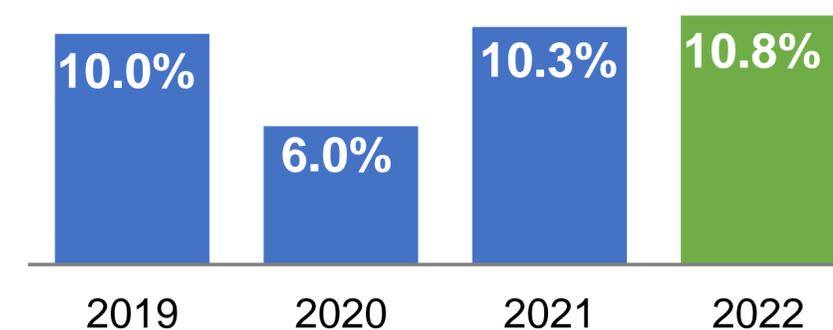
in € billions



**25.2%  
Gearing**

## Return on capital employed

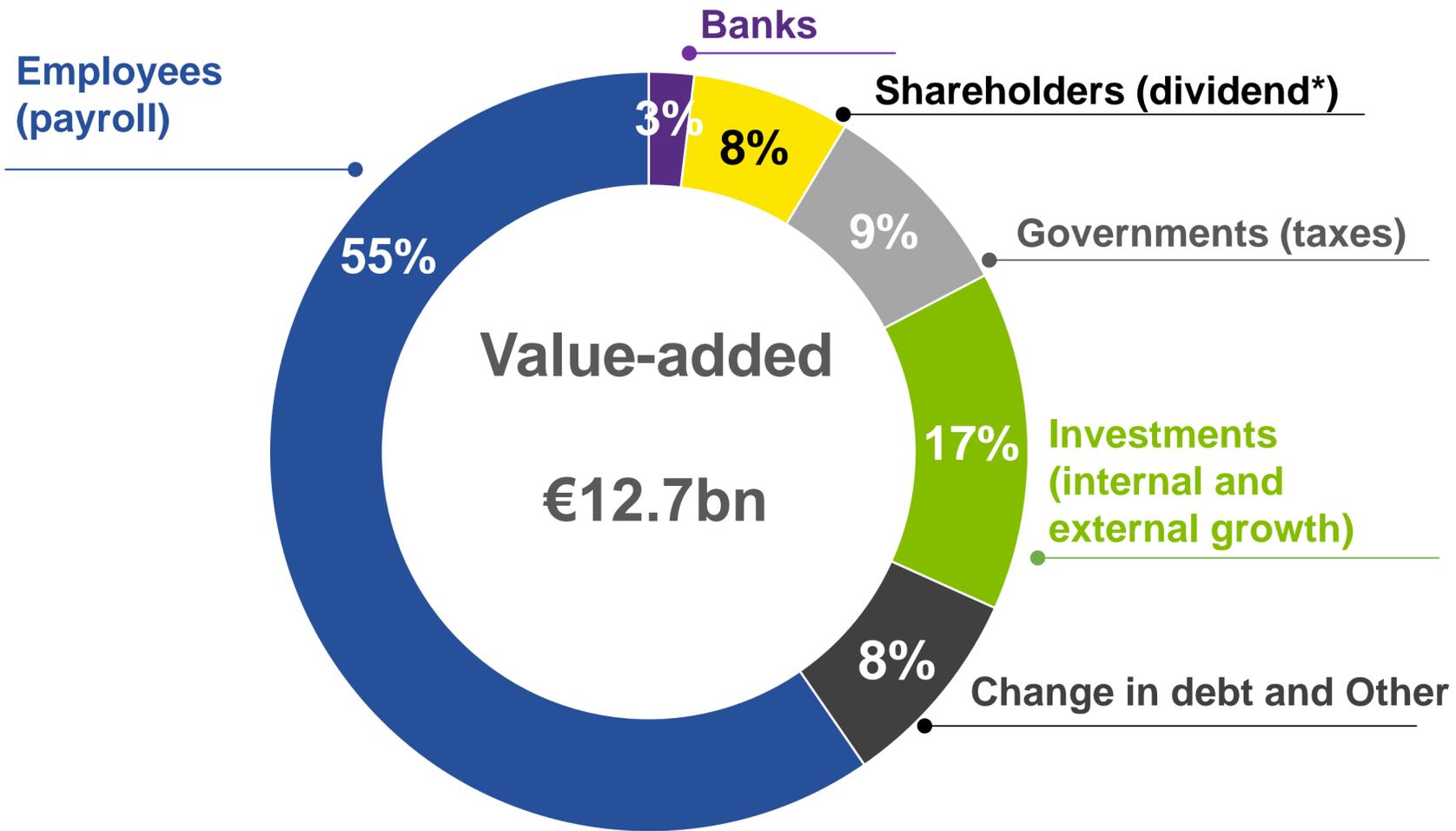
(ROCE = operating profit after tax % x asset turnover)



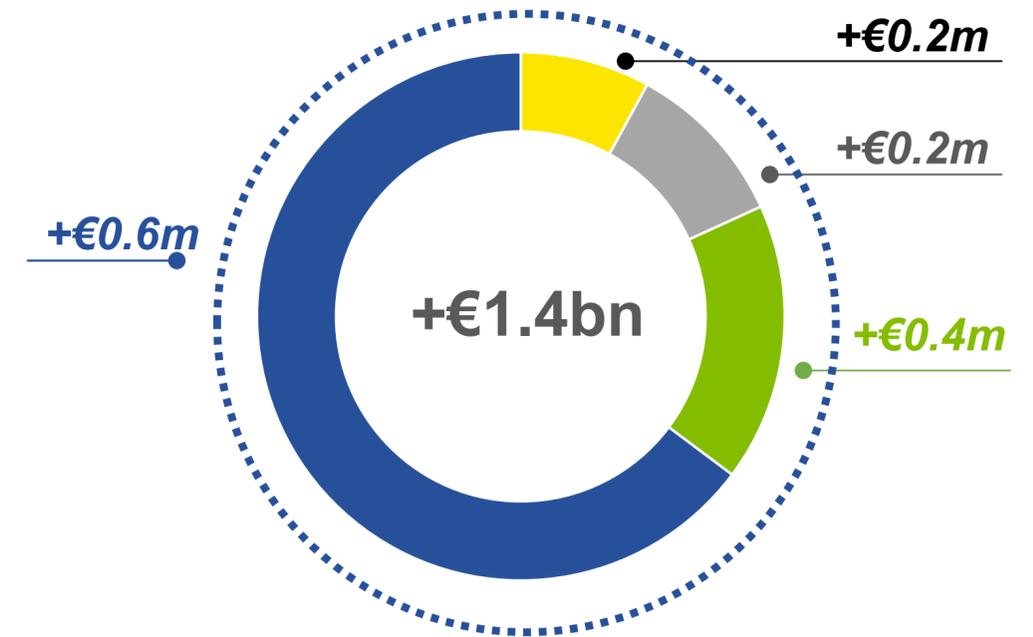
Free cash flow is stated before dividend payments and financing transactions

# FOCUS: DISTRIBUTING VALUE-ADDED

2022



## CHANGE - 2022 VS. 2021



\*The value-added will be shared in the amount set for the 2022 dividend, which will be paid at the end of the 2023 Annual Shareholders Meeting

# ***FOCUS: TAX TRANSPARENCY***

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- The Group contributes directly to the government budgets of the countries in which it operates, contributing €1.2 billion or 9% of the value-added created by the Group in 2022
  - Withholding tax on dividends and salaries paid are in addition to these amounts
  - We continuously engage in dialogue with governments on tax matters:
    - "Relationship of trust" partnership agreement signed with French tax authorities in 2019
    - Tax policy document released internally: Group tax strategy and "Golden Rules"
    - Key components of our tax policy disclosed in the 2022 Universal Registration Document
    - Financial explanatory notes on the effective tax rate provided to tax authorities
- ➔ First tax transparency report currently being prepared for release in early 2024

# **FIRST-QUARTER 2023 SALES UP 7.4% IN DECLINING MARKETS**

**SALES**  
**€7BN**

up 7.4%  
vs. 2022

**THE GROUP  
MAINTAINS  
ITS GUIDANCE  
FOR 2023**

## **BUSINESS AT END-MARCH 2023**

- Demonstration of our premium positioning and price discipline
- Slowdown in the European and North American Passenger car and Truck tires markets, at a time of inventory drawdowns
- Continued strong growth in non-tire businesses

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

## DIVIDEND PER SHARE<sup>(1)</sup>

	2018	2019	2020	2021	2022
<b>DIVIDEND</b> (IN €)	0.93	0.50	0.58	1.13	1.25 <sup>(4)</sup>
<b>NET INCOME</b> BASIC (IN €)	2.33	2.42	0.88	2.58	2.81
<b>PAYOUT RATIO</b> <sup>(2)</sup>	40%	21%	65%	44%	44%
<b>SHARE PRICE</b> DEC. 31 (IN €)	21.68	27.01	26.24	36.04	25.99
<b>YIELD</b> <sup>(3)</sup>	4.3%	1.8%	2.2%	3.1%	4.8%

## RECOMMENDED DIVIDEND

- Recommended 11% increase in the dividend
- Increase in payout ratio from 43.5% to 44.4%
- TSR\* over 10 years: up 94%

\*Total shareholder return, Source: Michelin estimate

## DIVIDEND POLICY

- Gradual increase in payout ratio to 50% in 2030

## SHARE BUYBACK POLICY

- Anti-dilutive programs to offset the impact of employee performance share plans
- Possible additional programs

(1) Data prior to 2022 have been restated following the four-for-one stock split on June 16, 2022

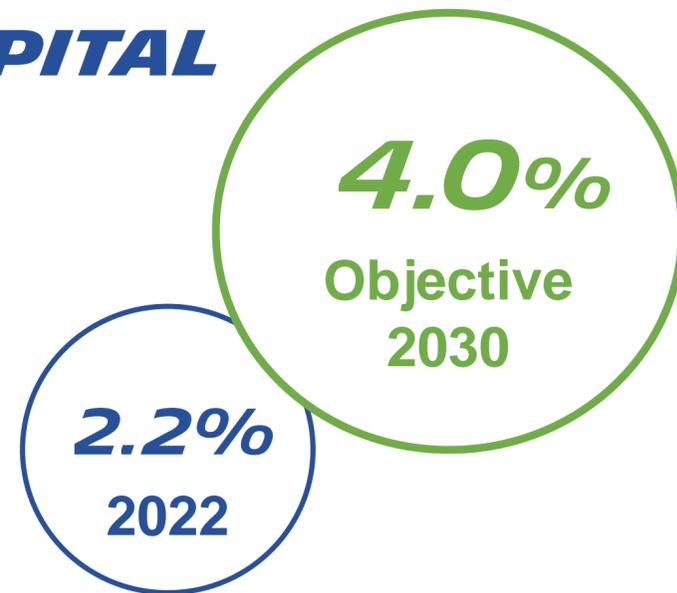
(2) Dividend/Net income

(3) Dividend/share price; based on closing price at December 31, 2022

(4) Subject to approval at the Annual Shareholders Meeting on May 12, 2023

# MICHELIN EMPLOYEE SHARE OWNERSHIP: A STRONG INDICATOR OF EMPLOYEE ENGAGEMENT\*

## Percentage of **CAPITAL OWNED BY MICHELIN EMPLOYEES**



## Percentage of **MICHELIN EMPLOYEE SHAREHOLDERS IN THE WORKFORCE**



## Share ownership program

- Standard annual offer
- Matching contribution in all countries
- Direct share ownership
  - annual dividend paid in cash
  - notice of meeting and individual voting at the Annual Shareholders Meeting
- Performance share plan extended as of 2024  
→ 14<sup>th</sup> resolution submitted for approval at the Annual Shareholders Meeting of May 12, 2023

## Shareholder relations program

- Michelin Shareholder Committee, half of whose members are employee shareholders
- Website dedicated to employee share ownership news
- Regular newsletters, and more

\*Employee engagement rate is one of the CSR criteria for employee and Manager performance shares

\*\*Despite potential changes in the scope of consolidation (M&A)

# ***STATUTORY AUDITORS' REPORTS***

*JEAN-CHRISTOPHE GEORGHIOU,  
PRICEWATERHOUSECOOPERS AUDIT*



# ***REPORTS TO THE SHAREHOLDERS***

- Statutory Auditors' reports on the consolidated and annual financial statements
- Statutory Auditors' special report on related-party agreements
- Report on the resolutions submitted to your Extraordinary General Meeting
- Other report

# ***STATUTORY AUDITORS' REPORTS ON THE CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS***

Certification of the Financial Statements *(page 399 of the URD)*

The objective of our engagement is to obtain reasonable assurance:

- That the accounts do not contain any significant anomaly
- That they comply with the applicable accounting principles, that they are regular and sincere
- And that they give a true and fair view of the results of the financial year and of the financial situation and assets at the end of the financial year

## **UNQUALIFIED OPINIONS**

# ***STATUTORY AUDITORS' REPORTS ON THE CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS***

Specific verifications *(page 401 of the URD)*

- Sincerity and consistency of the management report with the accounts
- Accuracy and sincerity of the information provided about compensation and benefits paid to corporate officers and the commitments made in their favor
- Information relating to elements likely to have an impact in the event of a public purchase or exchange offer
- Compliance of the format of presentation of the consolidated and annual accounts intended to be included in the financial annual report with the single electronic format defined by European regulations

# ***STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS***

Key audit matters (pages 399 and 417 of the URD)

Elements that reflect the main topics of discussion that we had with Management and the Audit Committee

- Consolidated financial statements
  - Valuation of goodwill of sensitive Cash Generating Units
  - Valuation of employee benefit obligations under defined benefit plans
- Annual financial statements
  - Valuation of shares held in subsidiaries and affiliates

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

Related-party agreements *(page 420 of the URD)*

- No agreement authorized during the past financial year
- No agreement authorized in previous financial years whose effects would have continued during the past financial year

# **REPORT ON THE RESOLUTIONS SUBMITTED TO YOUR EXTRAORDINARY GENERAL MEETING**

15<sup>th</sup> resolution (page 463 of the URD)

- Delegation to the Managers of the power to reduce the capital by canceling shares of the Company purchased within the limit of 10% of the capital
- No comments to be made on the causes and conditions of the planned capital reduction(s)

# ***OTHER REPORT***

Report by PricewaterhouseCoopers Audit, designated independent third party  
*(page 265 of the URD)*

Consolidated declaration of non-financial performance (DPEF) included in the Group's management report

- The declaration of extra-financial performance includes a presentation of the business model, the main extra-financial risks and the policies applied concerning these risks
- The objective of our engagement is to obtain moderate assurance on:
  - The compliance of the declaration with the provisions of the French Commercial Code
  - The sincerity of the information provided, namely the results of the policies and actions relating to the main risks
- We have not identified any significant anomaly likely to call into question the compliance of the declaration with the applicable provisions and the sincerity of the information provided.



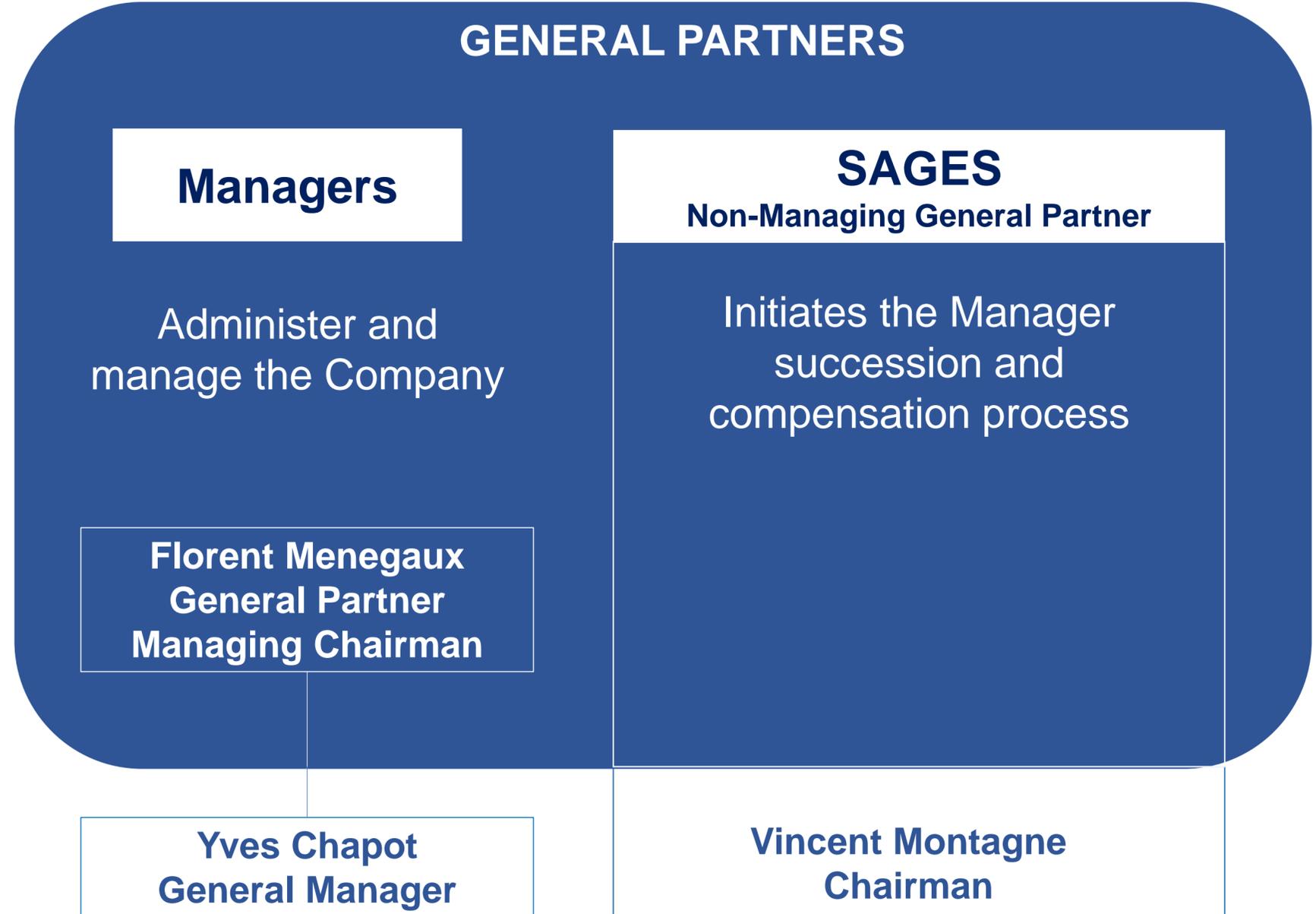
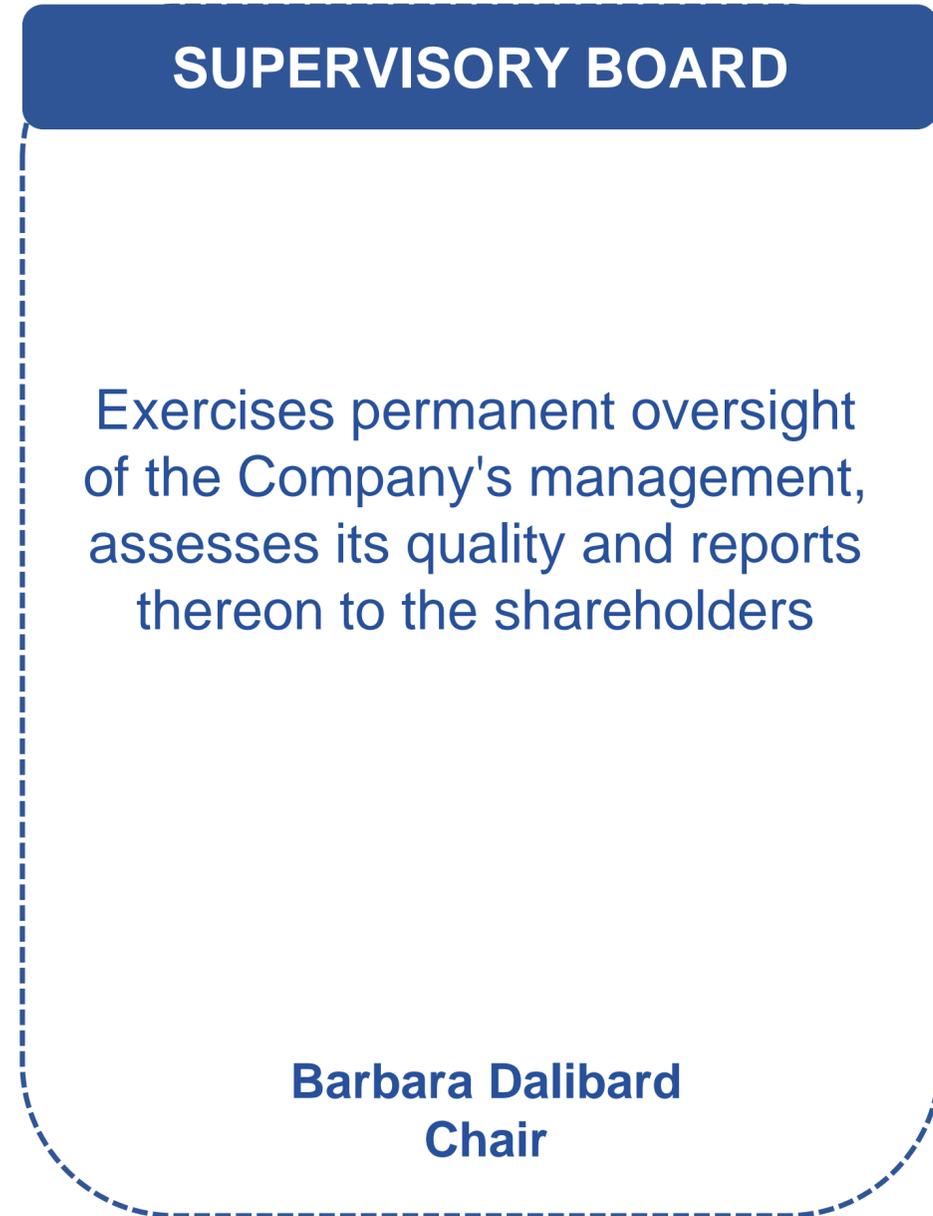
# ***GOVERNANCE***



# ***REPORT OF THE SUPERVISORY BOARD***

*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***

## ***2022 ACTIVITY***

**98%**

***ATTENDANCE***

**6**

***MEETINGS***

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***

# ***SUPERVISORY BOARD: A CULTURE OF HIGH GOVERNANCE STANDARDS THAT CONTINUOUSLY EVOLVE***

## ***APPLIES GOVERNANCE STANDARDS AT THE HIGHEST LEVEL...***

- **A non-executive Chair of the Board**
- **A thorough review of the independence** of members
- **A Senior Independent Member** who calls an executive session at least once a year
- **An induction program** and continuous training for members
- **Yearly assessment of the Board** (*independent assessment performed in 2022*)
- **Collaborative work between the Supervisory Board and SAGES** on the Manager succession and compensation processes

## ***...AND UPDATES THEM CONTINUOUSLY***

- **Two members representing employees** elected as members of the Supervisory Board (2020)
- **A Corporate Social Responsibility (CSR) Committee** created alongside the other two Committees (2020)
- **A diversity policy applied to the Board** with measurable targets and a detailed expertise matrix (2021)
- **Internal rules** for the Board and its Committees published on Michelin's corporate website (2021)
- **A Governance roadshow** led by the Chair (2022)

# BOARD MEMBERS: A STRONG GOVERNANCE TEAM FOR EFFECTIVE AND INDEPENDENT OVERSIGHT



**Barbara Dalibard**  
Chair of the Supervisory Board\*



**Thierry Le Hénaff**  
Senior Independent Member

Compensation and Appointments Committee



**Jean-Pierre Duprieu**

Chair of the Compensation and Appointments Committee



**Anne-Sophie de la Bigne**

Compensation and Appointments Committee  
Corporate Social Responsibility Committee



**Delphine Roussy**  
Member representing employees\*

Compensation and Appointments Committee



**Patrick de la Chevardière**

Chair of the Audit Committee



**Aruna Jayanthi**

Audit Committee



**Wolf-Henning Scheider**

Audit Committee



**Monique Leroux**

Audit Committee

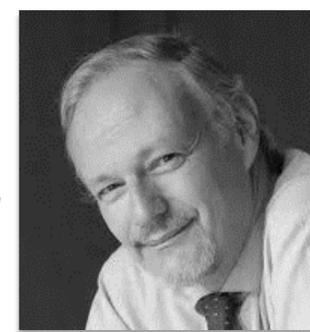
Chair of the Corporate Social Responsibility Committee



**Jean-Christophe Laourde**

Member representing employees\*

Corporate Social Responsibility Committee



**Jean-Michel Severino**

Corporate Social Responsibility Committee

## SUPERVISORY BOARD



**11**  
members, of which  
1 Senior Independent  
Member



**89%**  
are independent  
members\*\*



**100%**  
of Chairs are  
independent



**45%**  
of members are  
women\*\*



**33%**  
of members are non-  
French nationals\*\*



**98%**  
attendance rate (in 2022 for  
scheduled meetings)

\*Non-independent member

\*\*Excluding members representing employees

# THREE BOARD COMMITTEES WORKING TOGETHER TO MEET SHAREHOLDER EXPECTATIONS

## SUPERVISORY BOARD

### Audit Committee *100% of members are independent*



**Patrick de la Chevardière**  
Independent member

Number of members: **4**

Number of meetings: **4**

Attendance rate: **88%**

### Compensation and Appointments Committee *100% of members are independent\**



**Jean-Pierre Duprieu**  
Independent member

Number of members: **4**

Number of meetings: **3**

Attendance rate: **100%**

### Corporate Social Responsibility Committee *100% of members are independent\**



**Monique Leroux**  
Independent member

Number of members: **4**

Number of meetings: **3**

Attendance rate: **100%**

\*Excluding members representing employees



Patrick de la Chevardière  
**Chair**

**International Management. Finance.  
Manufacturing.**

Total Energies. Schlumberger.



Aruna Jayanthi

**International Management. Social Environment,  
Human Resources and Governance. IT, Digital  
and Cyber Security.**

Cap Gemini, Tata Consulting, Aptech, NIT Calicut,  
NASSCOM.



Wolf-Henning Scheider

**International Management. Manufacturing.  
Automotive and Mobility Sector.**

ZF company, VDA. Mahle, Bosch.



Monique Leroux

**Finance. Social Environment, Human Resources  
and Governance. Environment, Climate and  
Biodiversity.**

Desjardins Group, S&P Global, EY.  
Institute of Corporate Directors of Canada (ICD), Board of  
Investissement Québec. Member of the G7 Impact Task Force.

## ACTIVITIES IN 2022

- Review of the financial statements
- Review of risk management procedures
- Review of the audit plan
- Review of information systems risk management
- Review of the CSR risk matrix → *together with the CSR Committee*
- Review of international tax reform

# COMPENSATION AND APPOINTMENTS COMMITTEE

**100 %** independence\*

*\*Excluding members representing employees*



Jean-Pierre Duprieu  
Chair

**International Management. Social Environment, Human Resources and Governance. Manufacturing.**

Air Liquide, Korian, SEB.  
*Former Chairman of Don en Confiance.*



Anne-Sophie de la Bigne

**Environment, Climate and Biodiversity. Manufacturing. Automotive and Mobility Sector.**

Airbus, GIFAS, French Institute of Directors' ESG club,  
French Foundation for Biodiversity Research.



Thierry Le Hénaff

**International Management. Manufacturing. Materials.**

Arkema, Total Energies.



Delphine Roussy

**Social Environment, Human Resources and Governance. Manufacturing. IT, Digital and Cyber Security.**

Philips, Michelin, various employee representation mandates.

## ACTIVITIES IN 2022

- Review of corporate officers' compensation, particularly the Chair of the Board
- Review of the Manager succession plan
- Review of changes in the membership of the Group Executive Committee, the talent management policy and the action plans for promoting Diversity and Inclusion

# CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**100 %** independence\*

\*Excluding members representing employees



Monique Leroux  
Chair

**Finance. Social Environment, Human Resources and Governance. Environment, Climate and Biodiversity.**

Desjardins Group, S&P Global, EY.  
Institute of Corporate Directors of Canada (ICD), Board of Investissement Québec. Member of the G7 Impact Task Force.



Jean-Michel Severino

**Finance. Social Environment, Human Resources and Governance. Environment, Climate and Biodiversity.**

World Bank, French Development Agency, Investisseurs et Partenaires, Ecobank International. Phitrust Impact Investors, Danone, Orange.



Anne-Sophie de la Bigne

**Environment, Climate and Biodiversity. Manufacturing. Automotive and Mobility Sector.**

Airbus, GIFAS, French Institute of Directors' ESG club, French Foundation for Biodiversity Research.



Jean-Christophe Laourde

**Social Environment, Human Resources and Governance. Environment, Climate and Biodiversity. Automotive and Mobility Sector.**

Michelin. Shift Project, Time for the Planet.  
Member of the Chimie AURA trade union council.

## ACTIVITIES IN 2022

Cross-functional issues:

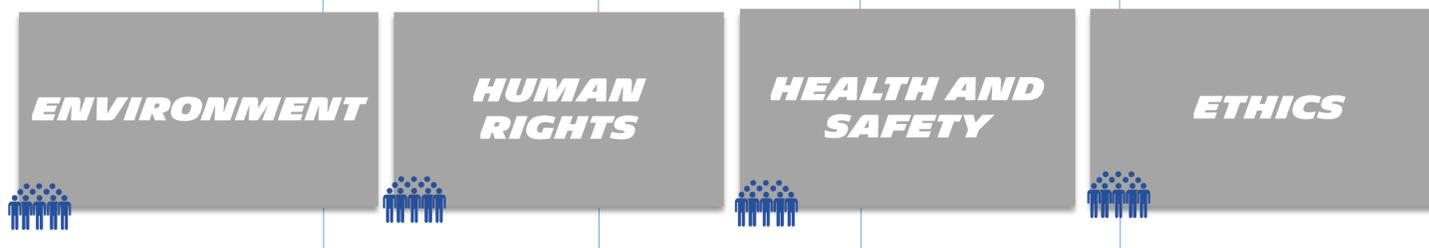
- Review of the Non-Financial Statement (NFS) and recommended improvements
- Review of the principles for managing CSR aspects of the business
- Monitoring of regulatory developments (CSRD, ESRS)
- Analysis of steps taken by Michelin to classify its business activities according to their contribution to the European Union's environmental objectives

# CORPORATE SOCIAL RESPONSIBILITY IS FULLY INTEGRATED INTO MICHELIN'S MANAGEMENT AND GOVERNANCE STRUCTURE

## GROUP MANAGEMENT

### GROUP EXECUTIVE COMMITTEE

Oversees four sustainable development and mobility committees



Decisions ↓ Recommendations ↑

Operational Committees

### STAKEHOLDER COMMITTEE



Governance body

## CORPORATE GOVERNANCE

### → Corporate Social Responsibility Committee

- Analysis of the climate action plan, the biodiversity strategy and the end-of-life strategy for tire products
- Review of the roadmap for including acquired companies in the scope of risk management processes covering human rights, ethical and environmental risks
- Review of the CSR risk matrix

Detailed data in Chapter 4 of the 2022 URD available at [www.michelin.com](http://www.michelin.com)

# ***RESOLUTIONS SUBMITTED TO THE 2023 ANNUAL SHAREHOLDERS MEETING***

- Ordinary financial resolutions
- Resolutions concerning corporate officers' compensation
- Re-election of Aruna Jayanthi and Barbara Dalibard as members of the Supervisory Board

***THANK YOU FOR YOUR ATTENTION***



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

*JEAN-PIERRE DUPRIEU  
CHAIRMAN OF COMMITTEE*



- ***2022 COMPENSATION OF THE MANAGERS AND THE SUPERVISORY BOARD MEMBERS***
- ***2023 COMPENSATION POLICY FOR THE MANAGERS AND THE SUPERVISORY BOARD MEMBERS***
- ***CANDIDATES RECOMMENDED FOR RE-ELECTION TO THE SUPERVISORY BOARD***



***2022 COMPENSATION OF  
THE MANAGERS  
AND THE SUPERVISORY  
BOARD MEMBERS***

# 2022 COMPENSATION AWARDED TO THE MANAGERS: SUMMARY

2022 compensation (rounded, in € thousands)	Fixed compensation(1)	Annual variable compensation	Deferred variable compensation Performance shares (provision)	Other benefits (company car)
F. Menegaux	1,017 <sup>(1)</sup>	906	867 <sup>(3)</sup>	10
Y. Chapot	700 <sup>(2)</sup>	575	511 <sup>(4)</sup>	10

(1) Annual fixed compensation of €1,100,000 defined in the approved 2022 compensation policy, applied on a pro rata basis from June 1, 2022

(2) Annual fixed compensation of €770,000 defined in the approved 2022 compensation policy, applied on a pro rata basis from June 1, 2022

(3) Book value – determined in accordance with IFRS 2 – (2022 financial statements) of the 67,983 shares awarded in November 2022 (number of shares taking into account the four-for-one stock split decided in May 2022)

(4) Book value – determined in accordance with IFRS 2 – (2022 financial statements) of the 40,073 shares awarded in November 2022 (number of shares taking into account the four-for-one stock split decided in May 2022)

# 2022 COMPENSATION AWARDED TO THE CHAIR OF THE SUPERVISORY BOARD

2022 compensation (rounded, in € thousands)	Compensation for service on the Supervisory Board	Other compensation
Barbara Dalibard	120	-

- Barbara Dalibard chaired all the meetings of the Supervisory Board in 2022
- Most of the compensation (60%) for Supervisory Board members is contingent on their attendance rate at meetings of the Supervisory Board and the Committee(s) of which they are a member
- Compensation exclusively related to service on the Supervisory Board, set in 2019 for the previous Chair and unchanged since Barbara Dalibard's appointment as Chair in May 2021

# COMPENSATION PAID TO THE MANAGERS AND TO THE CHAIR OF THE SUPERVISORY BOARD IN 2022

Compensation <i>(rounded, in € thousands)</i>	F. Menegaux	Y. Chapot	B. Dalibard
Fixed compensation	1,017 <sup>(1)</sup>	700	120
Annual variable compensation <i>(in respect of the previous year)</i>	1,350	824	-
Other benefit <i>(company car)</i>	10	10	-
Long-term incentive bonus <i>(in respect of a previous year)</i>	1,300	228	-

(1) Compensation paid by Manufacture Française des Pneumatiques Michelin (MFPM) in consideration of his role as Chairman of this company.

# FAIR PAY RATIOS

Scope and methodology identical to those used in the previous year

	2022	% change 2022/2021	2021
<b>Chair of the Supervisory Board</b>			
Change in compensation		0%	
Ratio versus average employee compensation	1.9		2.1
Ratio versus median employee compensation	2.5		2.8
<b>Managing Chairman</b>			
Change in compensation		103.0%	
Ratio versus average employee compensation	77.3		42.9
Ratio versus median employee compensation	101.3		55.9
<b>General Manager</b>			
Change in compensation		40.7%	
Ratio versus average employee compensation	39.5		31.5
Ratio versus median employee compensation	51.7		41.0
<b>Growth in segment operating income (SOI) (at constant exchange rates)</b>		65.2%	
<b>Growth in sales (at constant exchange rates)</b>		18.2%	

**Increases and ratios observed in 2022 not relevant for the Managing Chairman, mainly due to:**

- Mainly due to a mechanical effect that created a double counting (both the payment in 2022 of compensation granted in 2019, and the value of the performance shares granted in 2022 and to be delivered in 2026)

## **COMPENSATION AWARDED FOR 2022 OR PAID DURING THAT YEAR TO MEMBERS OF THE SUPERVISORY BOARD**

<b>Members of the Supervisory Board</b>	<b>Amounts awarded in respect of 2022 <i>(rounded, in € thousands)</i></b>	<b>Amounts paid in 2022 <i>(paid in respect of 2021, rounded, in € thousands)</i></b>
Barbara Dalibard	120	91
Jean-Pierre Duprieu	75	71
Aruna Jayanthi	68	72
Anne-Sophie de la Bigne	75	72
Patrick de la Chevardière	80	77
Jean-Christophe Laourde	60	52
Thierry Le Hénaff	75	72
Monique Leroux	100	86
Michel Rollier <i>(former member)</i>	N/A	48
Delphine Roussy	60	52
Wolf-Henning Scheider	58	34
Jean-Michel Severino	60	58
<b>TOTAL</b>	<b>830</b>	<b>770</b>



***2023 COMPENSATION POLICY  
FOR THE MANAGERS AND  
THE SUPERVISORY BOARD  
MEMBERS***

# **MANAGERS' 2023 COMPENSATION POLICY: CONTINUATION OF THE 2022 POLICY**

- **Fixed compensation:**

- For Florent Menegaux, Managing Chairman and General Partner: annual fixed compensation of €1,100,000<sup>(1)</sup>, corresponding to the median compensation of the Chief Executives of CAC 40 companies
- For Yves Chapot, General Manager: annual fixed compensation of €770,000, corresponding to the median compensation of the Chief Operating Officers of CAC 40 companies

- **Annual variable compensation<sup>(2)</sup>:**

- Quantitative (financial and non-financial) criteria aligned with those applicable to Michelin employees
- Quantifiable qualitative criteria, mainly corresponding to social and climate objectives:
  - rollout of Group transformation programs
  - women in management positions
  - employee safety
  - level of CO<sub>2</sub> emissions (Scopes 1 and 2)
- Annual variable compensation capped at 150% of fixed compensation

*(1) Compensation paid by Manufacture Française des Pneumatiques Michelin (MFPM) in consideration of his role as Chairman of this company.*

*(2) The criteria are recommended by the Supervisory Board, approved by the General Partners and then monitored by the Supervisory Board.*

# **MANAGERS' 2023 COMPENSATION POLICY: CONTINUATION OF THE 2022 POLICY**

- **Long-term variable compensation: performance share grants**
  - Decided on the recommendation of the General Partners, after the performance conditions and criteria have been determined by the Supervisory Board
  - Subject to performance conditions aligned with the financial and non-financial criteria applicable to Michelin employees over three years
  - Subject to a double cap for the Managers:
    - ➔ individual cap set in relation to their fixed compensation (140% for Florent Menegaux, 120% for Yves Chapot)<sup>(1)</sup>
    - ➔ collective cap set at 0.1% of the capital for the duration of the authorization (38 months)
  - With a requirement to hold 40% of the vested shares for as long as the Managers remain in office
- **Benefits and other advantages<sup>(2)</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) For F. Menegaux, the shares may only be delivered if the Profit Share due to the General Partners has been distributed in respect of the year preceding the one in which the shares are issued*

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

# MANAGERS' 2023 COMPENSATION POLICY

Fixed	Annual variable compensation	Long-term incentive bonus: performance shares	
- For F. Menegaux: €1,100 thousand	<b>Quantitative criteria</b>	<b>Criteria</b>	
	<ul style="list-style-type: none"> <li>•Consolidated net income</li> <li>•Segment operating income (SOI)</li> <li>•Free cash flow</li> </ul>	<b>Share performance</b>	Growth in the Michelin share price compared with that of the Stoxx Europe 600 index
- For Y. Chapot: €770 thousand	<b>Quantifiable qualitative criteria</b>	<b>Corporate Social Responsibility performance</b>	Change in the Industrial – Michelin Environmental Performance (i-MEP) indicator
	<ul style="list-style-type: none"> <li>•Deployment of the transformations linked to the Group's new strategy</li> <li>•Women in management positions</li> <li>•Employee safety</li> <li>•Level of CO<sub>2</sub> emissions (Scopes 1 and 2)</li> </ul>		Change in the Michelin employee engagement rate
		<b>Operating performance</b>	Growth in revenue (excluding tires and distribution)
	<b>Capped at 150% of fixed compensation</b>		Return on capital employed (ROCE) for the Group

# 2023 COMPENSATION POLICY FOR MEMBERS OF THE SUPERVISORY BOARD

## ● The Chair's compensation:

- No increase since 2019 (€120,000, the amount set for the previous Chair)
- Work carried out by the Compensation and Appointments Committee (comprising solely independent members<sup>(1)</sup>) to benchmark this level of compensation against a representative sample of equivalent positions in comparable companies in order to ensure that the position with the Michelin Group is appropriately attractive
- Representative sample of positions corresponding to CAC 40 companies where the Chairman is not the Chief Executive Officer and is not a former executive officer of the company, corresponding to median compensation of €450,000
- On the recommendation of the Compensation and Appointments Committee, in connection with the renewal of Barbara Dalibard, proposal of annual fixed compensation of €400,000 for the duration of Barbara Dalibard's term of office, breaking down as follows:
  - ➔ compensation as Chair (€350,000) and
  - ➔ compensation as a member of the Board (€50,000)

*(1) With the exception of the member representing employee*

# **2023 COMPENSATION POLICY FOR MEMBERS OF THE SUPERVISORY BOARD**

- **Update of the allocation rules in line with the total annual amount of €950,000 voted by the 2022 Shareholders Meeting and with the Chair's 2023 compensation policy:**
  - Individual base compensation (€50,000)
  - Allocation of an additional amount to each member according to their role:
    - ➔ Board Committee Chair (€35,000, or €40,000 for the Audit Committee) or member (€20,000)
    - ➔ Senior Independent Member of the Board (€15,000)
    - ➔ Member non-resident continental Europe attending the meetings in person (€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



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

# **RECOMMENDATIONS TO THE SUPERVISORY BOARD: RE-ELECTION**



**Barbara Dalibard**

- Chair of the Board since May 2021, member since 2008; former Chair of the Compensation and Appointments Committee (2015-2020), Senior Independent Member (2017-2020) and member of the Audit Committee (2020-2021)
- Member of the Board of Directors of Rexel



**Aruna Jayanthi**

- Member of the Board since 2015, independent member of the Audit Committee since 2021, and former member of the Compensation and Appointments Committee (2015-2021)
- Head of Capgemini Latin America and Canada, Sales Director for the Americas region

***THANK YOU FOR YOUR ATTENTION***

# ***INSIGHTS***

*LIFE CYCLE ASSESSMENTS*

# ***INSIGHTS***

*WATÈA BY MICHELIN*

# ***STRATEGIC SPEECH***

*FLORENT MENEGAUX  
MANAGING CHAIRMAN*

# ***COMMENTS ON RESOLUTIONS***

*BENOIT BALMARY  
GROUP GENERAL COUNSEL*



# ***ORDINARY***

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# ***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, 2022
- Approval of the consolidated financial statements for the year ended December 31, 2022
- Related-party agreements

## **2<sup>ND</sup> RESOLUTION**

- Appropriation of net income
- Approval of a dividend of €1,25 per share
- The dividend will be paid as from May 19, 2023

## **5<sup>TH</sup> RESOLUTION**

- Authorization to carry out a share buyback program:
  - Maximum purchase price: €55 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> AND 11<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, 2022 to :
  - Mr Florent Menegaux
  - Mr Yves Chapot
  - Mrs Barbara Dalibard

# ***12<sup>TH</sup> AND 13<sup>TH</sup> RESOLUTIONS***

- Re-election as a member of the Supervisory Board of :
  - Mrs Barbara Dalibard
  - Mrs Aruna Jayanthi

# ***EXTRAORDINARY***

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# ***RESOLUTIONS***

# **14<sup>TH</sup> RESOLUTION**

- Authorization to grant new or existing shares without consideration to the employees and Managers of the Company and the employees of Group subsidiaries, without pre-emptive subscription rights for existing shareholders

# **15<sup>TH</sup> RESOLUTION**

- Authorization to reduce the Company's capital by canceling shares
  - Cancel shares purchased under shareholder-approved buyback programs
  - Not exceed 10% of the Company's capital
  - Valid for a period of 24 months

# **16<sup>TH</sup> RESOLUTION**

- Powers to carry out formalities

# ***QUESTIONS & ANSWERS***



Ask your questions on:

[questionAG@michelin.com](mailto:questionAG@michelin.com)

# ***VOTING RESULTS***





# ***CLOSING***

*FLORENT MENEGAUX  
MANAGING CHAIRMAN*



**2023**

*ANNUAL  
GENERAL  
MEETING*

*MAY 12, 2023*