4.4.4 ADVISORY VOTE ON THE COMPONENTS OF THE COMPENSATION DUE OR AWARDED TO JEAN-DOMINIQUE SENARD, MANAGING CHAIRMAN, IN RESPECT OF 2018 AND SUBMITTED TO SHAREHOLDERS AT THE MAY 17, 2019 ANNUAL MEETING

Articles L. 225-37-2 and L. 225-82-2 of the French Commercial Code, as updated to reflect the provisions of the "Sapin 2" Act (Act 2016-1691 dated December 9, 2016), concerning shareholder approval of (i) the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the compensation and benefits of executive and non-executive non-independent directors (*ex ante* approval) and (ii) the components of the compensation paid or awarded to said directors pursuant to these principles (*ex post* approval) are not applicable to partnerships limited by shares by virtue of Article L. 226-1 of said Code.

However, in line with its commitment to apply corporate governance best practices, fulfill shareholders' expectations and continue to comply with the explicit recommendation in the AFEP/MEDEF Code that partnerships limited by shares should apply "the same compensation rules as those applicable to joint stock corporations, subject only to any differences justified by the specific features of this legal form, particularly those relating to the status of Managing General Partner" (Article 24.1.3), the Supervisory Board and the General Partners have decided for 2019 to give the Annual Shareholders Meeting the opportunity to issue an advisory vote on the compensation due or awarded to the Managing Chairman/Managing General Partner[(1)], in line with the AFEP/MEDEF Code recommendation[(2)] which provides for a mandatory shareholder vote.

In line with the recommendation of the Compensation and Appointments Committee, the Supervisory Board has issued a favorable opinion on the total compensation due or awarded to Jean-Dominique Senard in respect of 2018 and recommends that the shareholders cast a favorable advisory vote thereon.

The components of Mr. Senard's compensation will therefore be presented to shareholders at the Annual Meeting on May 17, 2019 (6th resolution).

All of the amounts indicated are based on the standard tables provided in the AFEP/MEDEF Code, which are set out in sections 4.4.2 and 4.4.3 above.

Compensation due or awarded for 2018	Amounts (or accounting value) submitted for shareholder approval *(in €)*	Presentation
Fixed compensation	1,100,000	**Unchanged from the previous year.** This corresponds to the gross annual fixed compensation due by Manufacture Française des Pneumatiques Michelin (MFPM), a controlled entity, as consideration for the duties performed by Mr. Senard in his capacity as General Manager of that company. Its amount was set by MFPM's General Partner in 2014 and has not been changed since then. For more information see section 4.4.3 a), Fixed compensation of this Registration Document, page 146, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.
Annual variable compensation	1,762,524	**The structure of these components and their payment mechanisms are unchanged from 2017.** **Shared features** The basis used to calculate the Annual Variable Components (the Consolidated Calculation Base) corresponds to 0.6% of the Group's consolidated net income. The Annual Variable Components of Mr. Senard's compensation are paid out of the share of profit (Profit Share) allocated to the General Partners of CGEM – Jean-Dominique Senard, Florent Menegaux and SAGES – that is split between them on a mutually agreed basis. The consolidated net income to be presented at the Annual Shareholders Meeting on May 17, 2019, amounts to €1,659,628 thousand. The Compensation and Appointments Committee has therefore noted that the Consolidated Calculation Base for 2018 is €9,957,765.14. Given the mutually agreed division of the Profit Share between the General Partners, and the performance achieved in 2018 with respect to the conditions governing the Annual Variable Components, as described below, the total amount payable to Mr. Senard represents €1,762,524 (after rounding, before withholding tax), breaks down as follows: **Single-Criterion Annual Variable Component** This component is equal to 8% of the Consolidated Calculation Base. The Compensation and Appointments Committee has noted that the Single-Criterion Annual Variable Component amounts to €796,621.21 for 2018.

(1) *In line with the 2018 compensation policy described in the Corporate Governance Report incorporated in section 4.4.1 a) of the 2017 Registration Document, pages 122 to 126.*
(2) *Recommendation applied by the Company since it came into effect and, in 2019, in compliance with the most recent version of the AFEP/MEDEF Code dated June 2018.*

Compensation due or awarded for 2018	Amounts (or accounting value) submitted for shareholder approval *(in €)*	Presentation
Annual variable compensation (continued)	1,762,524	**Multi-Criteria Annual Variable Component** This component corresponds to between 0% and 14% of the Consolidated Calculation Base, depending on achievement rates for seven criteria. The Compensation and Appointments Committee carefully reviewed each of the quantitative and qualitative criteria applicable to this component(1). Based on this review, the Committee concluded that the overall achievement rate for the three quantitative criteria (which are the same as those applied to determine the 2018 variable compensation of the Executive Committee members and Group managers) was 62.90/100ths, with: ▶ annual growth in sales volumes (tonnes): 12.90/50ths; ▶ efficiency project (annual reduction in operating costs): 25/25ths; ▶ annual growth in free cash flow: 25/25ths. Concerning the four qualitative criteria, the Committee's conclusions were as follows: ▶ for the "Continued active deployment of the Group's digital strategy" criterion, the Committee noted that substantially all of the objectives based on quantifiable indicators had been met (12.08/12.50ths): – best operating practices have been deployed in production/digital manufacturing, – a technology and innovation center has been set up in Pune, India, that will be instrumental in helping the Group move up a gear in its digital transformation, – deployment of internal digital training for Group employees has been accelerated and global customer and employee relations have been transformed through the successful installation of dedicated digital platforms, – deployment of connected initiatives has also been accelerated, allowing the Group to become a leading provider of connected mobility services (connected vehicles, platform integration); ▶ for the "Corporate social responsibility and environmental responsibility" criterion (environment, human rights, CSR governance), the Committee noted that the objectives based on quantifiable indicators had been met (12.50/12.50ths): – environment objective: the Group has set a Science-Based Target for CO_2 emissions, – Human Rights objective: the Total Case Incident Rate (TCIR) has improved, – Group CSR Governance: dedicated governance structures have been deployed within the Group covering the environment, human rights and sustainable mobility; ▶ for the "Managers transition plan" criterion, the Committee noted that the objective concerning the transfer of powers to the new Managers had been met (12.50/12.50ths), as well as the objective of supporting Florent Menegaux as he prepares to take up the position of Managing Chairman; ▶ for the "Stabilization of the Group's organization" criterion, the Committee noted that Jean-Dominique Senard had met substantially all of the objectives (7.50/12.50ths) designed to ensure that the new organization in place since January 1, 2018 is both robust and stable. The objective concerning the organization's cohesiveness was considered to have been partly met. The Compensation and Appointments Committee therefore considered that the overall achievement rate for the qualitative criteria was 44.58/50ths. In conclusion of its analysis concerning the Multi-Criteria Annual Variable Component, the Committee recommended to the Supervisory Board that cumulative actual performance in relation to these quantitative and qualitative criteria should be rated as 107/150ths. Based on the Consolidated Calculation Base of €9,957,765.14, application of this cumulative achievement rate to the assessment grid defined by the Supervisory Board resulted in a Multi-Criteria Annual Variable Component of €965,903.22 for 2018. For more information, see section 4.4.3 b), Variable compensation of this Registration Document, pages 146 and 147, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.

(1) For reasons of confidentiality and business secrecy, and more particularly to avoid disclosing information about the Company's strategy that could be used by competitors for their advantage, the Supervisory Board has elected not to disclose details of these performance targets to these quantitative and measurable criteria.

Compensation due or awarded for 2018	Amounts (or accounting value) submitted for shareholder approval *(in €)*	Presentation
Cash-settled deferred variable compensation awarded in 2018	No cash-settled deferred variable compensation was due for 2018	**The structure of these components and their payment mechanisms are unchanged from 2017, but the base amount is significantly lower.** The base amount used to calculate Jean-Dominique Senard's deferred compensation for 2018 is €1,080,000. This is significantly lower than that for 2017 due to the election during the year of a second Managing General Partner. The amount will be modulated by the application of the following three criteria set by the Supervisory Board and applicable over the three-year period: ▶ growth in the Michelin share price; ▶ environmental and corporate social responsibility performance: employee engagement and environmental performance of manufacturing operations (as measured by the MEF); ▶ growth in operating income(1). These criteria are the same as those applicable to the 2018 performance share plan for Group employees, which is not open to Mr. Senard. They concern implementation of the Group's long-term strategy as expressed in the Ambitions for 2020. For 2018, the decision was made to set considerably tougher MEF targets. The achievement rate under this long-term incentive plan will be equal to 100% only if the targets for all three criteria are met in full. The long-term incentive bonus is not due by the Company but would be deducted from the General Partners' allocated Profit Shares. The final amount receivable under the long-term incentive plan will be: ▶ capped at 150% of the average of the Annual Variable Components paid to Mr. Senard for 2018, 2019 and 2020; ▶ paid out of the Profit Shares allocated to the General Partners in respect of 2020 and payable in 2021 after the 2020 financial statements have been approved: – subject to the availability of Profit Shares payable in 2021 out of 2020 profit, – up to the amount of said available Profit Shares after deducting the Single-Criterion and Multi-Criteria Annual Variable Components due for 2020. If Mr. Senard were to cease to be a General Partner (for reasons other than death or disability) before his term expires and before the end of the performance assessment period, notably due to his resignation or removal from office, he would forfeit his rights to the long-term incentive bonus. If the Managing Chairman ceases to hold office on the date his term expires (in May 2019), for reasons other than death or disability, and his term expires before the end of the reference three-year period for determining the achievement rate for the performance criteria, the three-year period will continue to run until the end of 2020. The incentive bonus would be paid at the end of said three-year period, for an amount prorated to the actual period served as Managing Chairman during the three years. As for the incentive bonus awarded in 2017, Mr. Senard will be required to invest in Michelin shares 20% of the actual amounts received at the end of the three-year period for the 2018 incentive bonus. He will be required to hold these shares for at least three years as from the date on which he steps down from the position of Managing Chairman, after which the shares may be sold on a phased basis. The Supervisory Board noted that, as this is a long-term incentive plan, no amount was due in respect of 2018. For more information, see section 4.4.3 c), Variable compensation of this Registration Document, pages 149 and 150, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.

(1) Consolidated operating income based on a comparable consolidation scope and at constant exchange rates and accounting methods, excluding non-recurring items, as adjusted if necessary for the effects of any exceptional events.

Compensation due or awarded for 2018	Amounts (or accounting value) submitted for shareholder approval *(in €)*	Presentation
Cash-settled differed variable compensation awarded in 2016 and due in 2019 in respect of 2018	1,362,465	**The long-term incentive bonus was presented at the Annual Shareholders Meeting of May 19, 2017 and was approved by a majority of 96.32% of the votes cast (6th resolution).** 2018 was the last calculation year for this bonus and the Compensation and Appointments Committee therefore noted the achievement rates for each of the performance criteria, as follows: ▶ growth in the Michelin share price compared with that of the CAC 40 index: the growth differential was 1.5 points, giving an achievement rate of 3.5% out of a possible 35%; ▶ improvement in the Michelin Environmental Footprint (MEF): the average MEF was 52.93 giving an achievement rate of 15% out of 15% for this criterion; ▶ employee engagement ("Moving Forward Together" survey): the average engagement rate was 80%, giving an achievement rate of 15% out of 15% for this criterion; ▶ growth in operating income: average operating income for the three-year period was €223.33 million, giving an achievement rate of 35% out of 35% for this criterion. Based on these results, the Supervisory Board noted that the gross long-term incentive bonus payable in 2019 amounted to €1,362,465 (before withholding tax). Mr. Senard is committed to investing 20% of the incentive bonus in Michelin shares, and to holding the shares for a fixed period extending beyond the expiry of his term as Managing General Partner, with any subsequent sales to be carried out on a phased basis over four years. For more information, see in section 4.4.3 c) of this Registration Document, pages 149 and 150, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 124 and 125.
Stock options, performance shares and other share-based payments	N/A	No stock options granted. No performance shares granted. No other share-based payments.
Exceptional compensation	N/A	No exceptional compensation.
Attendance fees	N/A	Mr. Senard does not receive any attendance fees.
Value of fringe benefits	8,470	Company car.

(1) For reasons of confidentiality and business secrecy, and more particularly to avoid disclosing information about the Company's strategy that could be used by competitors for their advantage, the Supervisory Board has elected not to disclose details of these performance targets to these quantitative and quantifiable criteria.
(2) Consolidated operating income based on a comparable consolidation scope and at constant exchange rates and accounting methods, excluding non-recurring items, as adjusted if necessary for the effects of any exceptional events.

Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments(1)	Amounts submitted for shareholder approval *(in €)*	Presentation
Compensation for loss of office	No compensation for loss of office was due for 2018	**The detailed information in this section is unchanged from 2017.** In accordance with Article 13-2 of the Bylaws, as approved by an extraordinary resolution of the May 13, 2011 Annual Shareholders Meeting, if Mr. Senard were to be removed from office before the end of his term as a result of a change of strategy or a change of control of the Company, provided such removal was not due to gross misconduct, he would be entitled to compensation for loss of office to be decided by the Non-Managing General Partner and subject to the prior approval of the Supervisory Board. The amount of any such compensation would not exceed the equivalent of Mr. Senard's total compensation for the two years preceding the year of his removal from office. It would be subject to the performance conditions decided by the Supervisory Board. The final compensation would be reduced, if applicable, so that any other severance payments due to Mr. Senard would not result in his receiving an aggregate severance package in excess of two years' compensation, as recommended in the AFEP/MEDEF Code. For more information see section 4.4.1 a) 6 on compensation in the 2017 Registration Document, page 126 and section 4.4.2 m) of this Registration Document, page 145.

Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments[1]	Amounts submitted for shareholder approval *(in €)*	Presentation
Non-compete indemnity	No indemnity was due under a non-compete clause in 2018	**The detailed information in this section is unchanged from 2017.** In the same way as Michelin employees who have specific expertise that needs to be protected to prevent its use by a competitor in a manner that is detrimental to the Company's interests, Mr. Senard is subject to a non-compete clause. The Company is, however, entitled to waive the application of this clause. If the Company were to decide to apply this non-compete clause over a period of up to two years, it would have to pay to Mr. Senard the equivalent of up to 16 months' compensation based on the most recent aggregate compensation paid to him by Group companies. The non-compete indemnity would be reduced or canceled, if necessary, so that Mr. Senard's total severance package did not exceed the equivalent of the aggregate of his last two years' compensation, as recommended in the AFEP/MEDEF Code. For more information see section 4.4.1 a) 7 on compensation in the 2017 Registration Document, page 126 and section 4.4.2 m) of this Registration Document, page 145.
Supplementary pension benefits	No supplementary pension benefits were due for 2018	**The pension plan structure and rules are unchanged from 2017.** This description complies with the provisions of the Macron Act of August 6, 2015 and the enabling legislation dated February 23, 2016. Mr. Senard is not a member of any pension plan set up specifically for executive officers. In his capacity as General Manager of MFPM, Mr. Senard participates in the supplementary pension plan set up for MFPM senior executives (the Michelin Executive Supplementary Pension Plan). This plan, which is governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code and is not restricted to General Managers (executive officers), has the following main features: ▶ participants must have served for at least five years as a senior executive; ▶ 1.5% of benefits vest each year, entitling participants to an annuity representing a replacement rate of up to 15% of the reference compensation (annual average of the best three years of compensation out of the last five years preceding the beneficiary's retirement); ▶ the replacement rate including benefit entitlements under compulsory plans is capped at 35%; ▶ an evaluation is carried out in accordance with Group accounting policies; ▶ benefit entitlement is conditional on participants ending their career at MFPM as an executive employee or executive officer, in accordance with Article L. 137-11 of the French Social Security Code; ▶ 70% of the prior year's benefit obligation is funded through a contribution to an insured plan. Mr. Senard's reference compensation is made up solely of the fixed compensation paid by MFPM (see section 4.4.3 a) of this Registration Document). Based on the assumptions set out in the Macron Act enabling legislation dated February 23, 2016, the estimated amount of annual income he will receive under this plan is €165,000. The benefits will be taxed at the rate of 32%. As the reference compensation represented less than half of the aggregate amount received by Mr. Senard for 2018 (fixed compensation and variable Profit Share), the actual gross replacement rate represented by pension benefits paid under the plan will be well below the 45% ceiling recommended in the AFEP/MEDEF Code.

(1) Unlike for joint stock corporations (sociétés anonymes, or S.A.s) the provisions concerning "related-party commitments" set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managers (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments).
The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the French Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the "principles and rules concerning the compensation and benefits granted to executive officers", whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the French Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company's executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code's recommendations.

4.4.5 c) Fringe benefits, stock options, performance shares, attendance fees

In line with the 2018 compensation policy, Mr. Menegaux did not receive any attendance fees in 2018 from the Company or any controlled entities, or any benefits other than those listed above.

Mr. Menegaux has a fringe benefit in the form of a Company car (see table 4.4.2 c).

4.4.5 d) Supplementary pension benefits

The Managers are not covered by any supplementary pension plan set up specifically for executive officers.

In his capacity as General Manager of the subsidiary MFPM, Mr. Menegaux participates in the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan).

This plan, which is governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code, is described in the section 4.4.6 in this Registration Document.

The plan rules are unchanged from 2017.

Mr. Menegaux's reference compensation for 2018 in his capacity as executive director was made up solely of the annual fixed compensation paid by the subsidiary MFPM[(1)].

Based on the assumptions set out in the Macron Act enabling legislation dated February 23, 2016, the estimated amount of annual income he will receive under this plan is €135,000. The benefits will be taxed at the rate of 32%.

The actual gross replacement rate represented by pension benefits paid under the plan will be well below the 45% ceiling recommended in the AFEP/MEDEF Code.

4.4.5 e) Compensation for loss of office

No compensation for loss of office was paid in 2018[(2)].

4.4.5 f) Non-compete indemnity

No non-compete indemnity was paid in 2018[(2)].

4.4.6 ADVISORY VOTE ON THE COMPONENTS OF THE COMPENSATION DUE OR AWARDED TO FLORENT MENEGAUX, ELECTED AS MANAGING GENERAL PARTNER ON MAY 18, 2018, IN RESPECT OF 2018 AND SUBMITTED TO SHAREHOLDERS AT THE MAY 17, 2019 ANNUAL MEETING

Articles L. 225-37-2 and L. 225-82-2 of the French Commercial Code, as updated to reflect the provisions of the "Sapin 2" Act (Act 2016-1691 dated December 9, 2016), concerning shareholder approval of (i) the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the compensation and benefits of executive and non-executive non-independent directors (*ex ante* approval) and (ii) the components of the compensation paid or awarded to said directors pursuant to these principles (*ex post* approval) are not applicable to partnerships limited by shares by virtue of Article L. 226-1 of said Code.

However, in line with its commitment to apply corporate governance best practices, fulfill shareholders' expectations and continue to comply with the explicit recommendation in the AFEP/MEDEF Code that partnerships limited by shares should apply "the same compensation rules as those applicable to joint stock corporations, subject only to any differences justified by the specific features of this legal form, particularly those relating to the status of Managing General Partner" (Article 24.1.3), the Supervisory Board and the General Partners have decided for 2019 to give the Annual Shareholders Meeting the opportunity to issue an advisory vote on the compensation due or awarded to the Managing General Partner[(3)], in line with the AFEP/MEDEF Code recommendation[(4)] which provides for a mandatory shareholder vote.

In line with the recommendation of the Compensation and Appointments Committee, the Supervisory Board has issued a favorable opinion on the total compensation due or awarded to Florent Menegaux in respect of 2018 and recommends that the shareholders cast a favorable advisory vote thereon.

The components of Mr. Menegaux's compensation will therefore be presented to shareholders at the Annual Meeting on May 17, 2019 (7th resolution).

All of the amounts indicated are based on the standard tables provided in the AFEP/MEDEF Code, which are set out in sections 4.4.2 and 4.4.5 above.

(1) See detailed disclosures in section 4.4.5 a) of this Registration Document.
(2) See detailed disclosures in section 4.4.2 m) of this Registration Document.
(3) In line with the 2018 compensation policy described in the Corporate Governance Report incorporated in section 4.4.1 a) of the 2017 Registration Document, pages 122 to 126.
(4) Recommendation applied by the Company since it came into effect and, in 2019, in compliance with the most recent version of the AFEP/MEDEF Code dated June 2018.

Compensation due or awarded for 2018	Amounts (or accounting value) submitted for shareholder approval *(in €)*	Presentation
Fixed compensation	554,672	This corresponds to the gross annual fixed compensation due by Manufacture Française des Pneumatiques Michelin (MFPM), a controlled entity, as consideration for the duties performed by Mr. Menegaux in his capacity as General Manager of that company. The 2018 compensation policy provides for the payment to Mr. Menegaux of fixed compensation (i) in an amount that is significantly lower than that of the Managing Chairman, (ii) prorated based on the period served as Managing General Partner in fiscal 2018. For more information see section 4.4.5 a) Fixed compensation of this Registration Document, page 158, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.
Annual variable compensation	668,479	**Shared features** The basis used to calculate the Annual Variable Components (the Consolidated Calculation Base) corresponds to 0.6% of the Group's consolidated net income. The Annual Variable Components of Mr. Menegaux's compensation are paid out of the share of profit (Profit Share) allocated to the General Partners of CGEM – Jean-Dominique Senard, Florent Menegaux and SAGES – that is split between them on a mutually agreed basis. The consolidated net income to be presented at the Annual Shareholders Meeting on May 17, 2019, amounts to €1,659,628 thousand. The Compensation and Appointments Committee has therefore noted that the Consolidated Calculation Base for 2018 is €9,957,765.14. Given the mutually agreed division of the Profit Share between the General Partners, and the performance achieved in 2018 with respect to the conditions governing the Annual Variable Components, as described below, the total amount payable to Mr. Menegaux represents €668,479 (after rounding, before withholding tax), as follows: **Single-Criterion Annual Variable Component** This component is equal to 5% of the Consolidated Calculation Base. The Compensation and Appointments Committee has noted that the Single-Criterion Annual Variable Component amounts to €312,374 for 2018. **Multi-Criteria Annual Variable Component** This component corresponds to between 0% and 8.50% of the Consolidated Calculation Base, depending on the achievement rates for seven criteria. The Compensation and Appointments Committee carefully reviewed each of the quantitative and qualitative criteria applicable to this component[(1)]. Based on this review, the Committee concluded that the overall achievement rate for the three quantitative criteria (which are the same as those applied to determine the 2018 variable compensation of the Executive Committee members and Group managers) was 62.90/100ths, with: ▶ annual growth in sales volumes (tonnes): 12.90/50ths; ▶ efficiency project (annual reduction in operating costs): 25/25ths; ▶ annual growth in free cash flow: 25/25ths. Concerning the four qualitative criteria, the Committee's conclusions were as follows: ▶ for the "Continued active deployment of the Group's digital strategy" criterion, the Committee noted that substantially all of the objectives based on quantifiable indicators had been met (12.08/12.50ths): – best operating practices have been deployed in production/digital manufacturing, – a technology and innovation center has been set up in Pune, India, that will be instrumental in helping the Group move up a gear in its digital transformation, – deployment of internal digital training for Group employees has been accelerated and global customer and employee relations have been transformed through the successful installation of dedicated digital platforms, – deployment of connected initiatives has also been accelerated, allowing the Group to become a leading provider of connected mobility services (connected vehicles, platform integration); ▶ for the "Corporate social responsibility and environmental responsibility" criterion (environment, human rights, CSR governance), the Committee noted that the objectives based on quantifiable indicators had been met (12.50/12.50ths): – environment objective: the Group has set a Science-Based Target for CO_2 emissions, – Human Rights objective: the Total Case Incident Rate (TCIR) has improved, – Group CSR Governance: dedicated governance structures have been deployed within the Group covering the environment, human rights and sustainable mobility; ▶ for the "Manager transition plan" criterion, the Committee noted that Florent Menegaux had met his objectives (12.50/12.50ths) concerning his integration, as future Managing Chairman, in the economic, social and media environment, gradual assertion of his leadership and presentation of the Group's strategic goals to the governance structures;

Compensation due or awarded for 2018	Amounts (or accounting value) submitted for shareholder approval *(in €)*	Presentation
Annual variable compensation (continued)	668 479	▶ for the "Stabilization of the Group's organization" criterion, the Committee noted that Florent Menegaux had met substantially all of the objectives (7.50/12.50ths) designed to ensure that the new organization in place since January 1, 2018 is both robust and stable. The objective concerning the organization's cohesiveness was considered to have been partly met. The Compensation and Appointments Committee therefore considered that the overall achievement rate for the qualitative criteria was 44.58/50ths. In conclusion of its analysis concerning the Multi-Criteria Annual Variable Component, the Committee recommended to the Supervisory Board that cumulative actual performance in relation to these quantitative and qualitative criteria should be rated as 107/150ths. Based on the Consolidated Calculation Base of €9,957,765.14, application of this cumulative achievement rate to the assessment grid defined by the Supervisory Board resulted in a Multi-Criteria Annual Variable Component of €356,106 for 2018. For more information see section 4.4.5 b) Variable compensation of this Registration Document, pages 158 and 159, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.
Cash-settled deferred variable compensation awarded in 2018	No cash-settled deferred variable compensation was due for 2018	This long-term incentive bonus is calculated using a reduced base amount of €720,000 due to the presence of two Managing General Partners during the management transition period. This amount will be modulated by the application of the following three criteria set by the Supervisory Board and applicable over the three-year period: ▶ growth in the Michelin share price; ▶ environmental and corporate social responsibility performance: employee engagement and environmental performance of manufacturing operations (as measured by the MEF); ▶ growth in operating income(2). These criteria are the same as those applicable to the 2018 performance share plan for Group employees, which is not open to Florent Menegaux. They concern implementation of the Group's long-term strategy as expressed in the Ambitions for 2020. For 2018, the decision was made to set considerably tougher MEF targets. The achievement rate under this long-term incentive plan will be equal to 100% only if the targets for all three criteria are met in full. The long-term incentive bonus is not due by the Company but would be deducted from the General Partners' allocated Profit Shares. The final amount receivable under the long-term incentive plan will be: ▶ capped at 150% of the average of the Annual Variable Components paid to Mr. Menegaux for 2018, 2019 and 2020; ▶ paid out of the Profit Shares allocated to the General Partners in respect of 2020 and payable in 2021 after the 2020 financial statements have been approved: – subject to the availability of Profit Shares payable in 2021 out of 2020 profit, – up to the amount of said available Profit Shares after deducting the Single-Criterion and Multi-Criteria Annual Variable Components due for 2020. If Mr. Menegaux were to cease to be a General Partner (for reasons other than death or disability) before his term expires and before the end of the performance assessment period, notably due to his resignation or removal from office, he would forfeit his rights to the long-term incentive bonus. The incentive bonus would be paid at the end of said three-year period, for an amount prorated to the term as Managing General Partner. As for the incentive bonus awarded to Jean-Dominique Senard, Florent Menegaux will be required to invest in Michelin shares 20% of the actual amounts received at the end of the three-year period for the 2018 incentive bonus. He will be required to hold these shares for at least four years as from the date on which he steps down from the position of Managing General Partner, after which the shares may be sold on a phased basis. The Supervisory Board noted that, as this is a long-term incentive plan, no amount was due in respect of 2018. For more information, see section 4.4.5 b) Variable compensation in this Registration Document, pages 158 and 161, and section 4.4.1 a) Compensation policy: Managing Chairman in the 2017 Registration Document, pages 122 to 126.
Stock options, performance shares and other share-based payments	N/A	No stock options granted. No performance shares granted. No other share-based payments.
Exceptional compensation	N/A	No exceptional compensation.
Attendance fees	N/A	Florent Menegaux does not receive any attendance fees.
Value of fringe benefits	5,392	Company car.

(1) For reasons of confidentiality and business secrecy, and more particularly to avoid disclosing information about the Company's strategy that could be used by competitors for their advantage, the Supervisory Board has elected not to disclose details of these performance targets to these quantitative and quantifiable criteria.
(2) Consolidated operating income based on a comparable consolidation scope and at constant exchange rates and accounting methods, excluding non-recurring items, as adjusted if necessary for the effects of any exceptional events.

Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments(1)	Amounts submitted for shareholder approval *(in €)*	Presentation
Compensation for loss of office	No compensation for loss of office was due for 2018	In accordance with Article 13-2 of the Bylaws, as approved by an extraordinary resolution of the May 13, 2011 Annual Shareholders Meeting, if Florent Menegaux were to be removed from office before the end of his term as a result of a change of strategy or a change of control of the Company, provided such removal was not due to gross misconduct, he would be entitled to compensation for loss of office to be decided by the Non-Managing General Partner and subject to the prior approval of the Supervisory Board. The amount of any such compensation would not exceed the equivalent of Mr. Menegaux's total compensation for the two years preceding the year of his removal from office. It would be based on performance conditions decided by the Supervisory Board. The final compensation would be reduced, if applicable, so that any other severance payments due to Mr. Menegaux would not result in his receiving an aggregate severance package in excess of two years' compensation, as recommended in the AFEP/MEDEF Code. For more information see section 4.4.1 a) 6 on compensation in the 2017 Registration Document (page 126), and section 4.4.2 m) (page 145) in this Document.
Non-compete indemnity	No indemnity was due under a non-compete clause in 2018	In the same way as Michelin employees who have specific expertise that needs to be protected to prevent its use by a competitor in a manner that is detrimental to the Company's interests, Mr. Menegaux is subject to a non-compete clause in his capacity as General Manager of the subsidiary MFPM. The Supervisory Board is, however, entitled to waive the application of this clause. If the Company were to decide to apply this non-compete clause over a period of up to two years, it would have to pay to Mr. Menegaux the equivalent of up to 24 months' compensation based on the most recent fixed compensation paid to him by the subsidiary MFPM. The non-compete indemnity would be reduced or canceled, if necessary, so that Mr. Menegaux's total severance package did not exceed the equivalent of the aggregate of his last two years' compensation, as recommended in the AFEP/MEDEF Code. For more information see section 4.4.1 a) 7 on compensation in the 2017 Registration Document (page 126), and section 4.4.2 m) (page 145) in this Document.
Supplementary pension benefits	No supplementary pension benefits were due for 2018	This description complies with the provisions of the Macron Act of August 6, 2015 and the enabling legislation dated February 23, 2016. Mr. Menegaux is not a member of any pension plan set up specifically for executive officers. In his capacity as General Manager of MFPM, Mr. Menegaux participates in the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan). This plan, which is governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code has the following main features: ▶ participants must have served for at least five years as a senior executive; ▶ 1.5% of benefits vest each year, entitling participants to an annuity representing a replacement rate of up to 15% of the reference compensation (annual average of the best three years of compensation out of the last five years preceding the beneficiary's retirement); ▶ the replacement rate including benefit entitlements under compulsory plans is capped at 35%; ▶ an evaluation is carried out in accordance with Group accounting policies; ▶ benefit entitlement is conditional on participants ending their career at MFPM as an executive employee or executive officer, in accordance with Article L. 137-11 of the French Social Security Code; ▶ 70% of the prior year's benefit obligation is funded through a contribution to an insured plan. Mr. Menegaux's reference compensation for 2018 in his capacity as executive director was made up solely of the annual fixed compensation paid by MFPM(2). Based on the assumptions set out in the Macron Act enabling legislation dated February 23, 2016, the estimated amount of annual income he will receive under this plan is €135,000. The actual gross replacement rate represented by pension benefits paid under the plan will be well below the 45% ceiling recommended in the AFEP/MEDEF Code.

(1) Unlike for joint stock corporations (sociétés anonymes, or S.A.s) the provisions concerning "related-party commitments" set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managers (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments).
The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the French Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the "principles and rules concerning the compensation and benefits granted to executive officers", whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the French Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company's executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code's recommendations.

(2) See section 4.4.5 a) of this Registration Document.

4.4.7 c) Fringe benefits, stock options, performance shares, attendance fees

In line with the 2018 compensation policy, Yves Chapot did not receive any attendance fees in 2018 from the Company or any controlled entities, any benefits other than those listed above, or any stock options or performance shares from the Company or any controlled entities.

Mr. Chapot has a fringe benefit in the form of a Company car (see table 4.4.2 d).

4.4.7 d) Supplementary pension benefits

The Managers are not covered by any supplementary pension plan set up specifically for executive officers.

In his capacity as General Manager of CGEM, Yves Chapot participates in the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan).

This plan, which is governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code, is described in the section 4.4.8.

Mr. Chapot's reference compensation for 2018 in his capacity as executive director was made up of his annual fixed compensation and his annual variable compensation[(1)].

Based on the assumptions set out in the Macron Act enabling legislation dated February 23, 2016, the estimated amount of annual income he will receive under this plan is €110,544. The benefits will be taxed at the rate of 32%.

The actual gross replacement rate represented by pension benefits paid under the plan will be well below the 45% ceiling recommended in the AFEP/MEDEF Code.

4.4.7 e) Compensation for loss of office

No compensation for loss of office was paid in 2018[(2)].

4.4.7 f) Non-compete indemnity

No non-compete indemnity was paid in 2018[(2)].

4.4.8 ADVISORY VOTE ON THE COMPONENTS OF THE COMPENSATION DUE OR AWARDED TO YVES CHAPOT, ELECTED AS GENERAL MANAGER ON MAY 18, 2018, IN RESPECT OF 2018 AND SUBMITTED TO SHAREHOLDERS AT THE MAY 17, 2019 ANNUAL MEETING

Articles L. 225-37-2 and L. 225-82-2 of the French Commercial Code, as updated to reflect the provisions of the "Sapin 2" Act (Act 2016-1691 dated December 9, 2016), concerning shareholder approval of (i) the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the compensation and benefits of executive and non-executive non-independent directors (*ex ante* approval) and (ii) the components of the compensation paid or awarded to said directors pursuant to these principles (*ex post* approval) are not applicable to partnerships limited by shares by virtue of Article L. 226-1 of the Code.

However, in line with its commitment to apply corporate governance best practices, fulfill shareholders' expectations and continue to comply with the explicit recommendation in the AFEP/MEDEF Code that partnerships limited by shares should apply "the same compensation rules as those applicable to joint stock corporations, subject only to any differences justified by the specific features of this legal form, particularly those relating to the status of Managing General Partner" (Article 24.1.3), the Supervisory Board and the General Partners have decided for 2019 to give the Annual Shareholders Meeting the opportunity to issue an advisory vote on the compensation due or awarded to the Managers[(3)], in line with the AFEP/MEDEF Code recommendation[(4)] which provides for a mandatory shareholder vote.

In line with the recommendation of the Compensation and Appointments Committee, the Supervisory Board has issued a favorable opinion on the total compensation due or awarded to Yves Chapot in respect of 2018 and recommends that the shareholders cast a favorable advisory vote thereon.

The components of Mr. Chapot's compensation will therefore be presented to shareholders at the Annual Meeting on May 17, 2019 (8th resolution).

All of the amounts indicated are based on the standard tables provided in the AFEP/MEDEF Code, which are set out in sections 4.4.2 and 4.4.7 above.

(1) See detailed disclosures in sections 4.4.7 a) and 4.4.7 b) of this Registration Document.
(2) See detailed disclosures in section 4.4.2 m) of this Registration Document.
(3) In line with the 2018 compensation policy described in the Corporate Governance Report incorporated in section 4.4.1 a) of the 2017 Registration Document, pages 122 to 126.
(4) Recommendation applied by the Company since it came into effect and, in 2019, in compliance with the most recent version of the AFEP/MEDEF Code dated June 2018.

Compensation due or awarded for 2018	Amounts (or accounting value) submitted for shareholder approval *(in €)*	Presentation
Fixed compensation	372,808	For the General Manager elected in 2018, the 2018 compensation policy provides for the payment of fixed compensation (i) in an amount that is significantly lower than that of the Managing Chairman, (ii) prorated based on the period served as General Manager in 2018. In line with this policy, Yves Chapot's annual fixed compensation was set at €600,000. His prorated fixed compensation for the period from his election as Manager amounted to €372,808. For more information, see section 4.4.7 a) Fixed compensation in this Registration Document, page 166 and section 4.4.1 a) Compensation policy: Managing Chairman in the 2017 Registration Document, pages 122 to 126.
Annual variable compensation	263,763	Under the 2018 compensation policy, the General Manager elected in 2018 is entitled to Multi-Criteria Annual Variable Compensation equivalent to that awarded to the Managing Chairman and the Managing General Partner. This compensation (i) would be significantly less than that awarded to the Managing Chairman and the Managing General Partner, (ii) would not be deducted from the Profit Shares allocated to General Partners and (iii) would be prorated to the period served as General Manager during 2018. In line with this policy and based on the Supervisory Board's recommendation, the General Partners set the Multi-Criteria Annual Variable Compensation at a maximum of 120% of the fixed compensation received by Yves Chapot in 2018 in his capacity as General Manager. The actual compensation amount will depend on performance in relation to five criteria. Mr. Chapot will be awarded the maximum amount if the cumulative achievement rate for the five criteria is 100/100ths. The Compensation and Appointments Committee carefully reviewed each of the quantitative and qualitative criteria applicable to this component(1). Based on this review, the Committee concluded that the overall achievement rate for the three quantitative criteria was 37.61/70ths, with: ▶ growth in consolidated operating income from recurring activities: 24.75/30ths; ▶ level of consolidated inventories of finished and semi-finished products: 12.86/20ths; ▶ annual level of tire sales volume (in million units) by the unit comprising the Group's "Automotive" businesses: 0/20ths. Concerning the two qualitative criteria, the Committee's conclusions were as follows: ▶ for the "Organizational transition – Strategic goals" criterion, the Committee noted that the objective of presenting the organizational transition and the strategic goals to the Group's governance bodies had been met (15/15ths); ▶ for the "Deployment of the Customer Service initiative" criterion, the Committee noted that part of the objective related to the Net Promoter Score (NPS) indicator had been met (5.78/15ths). The Compensation and Appointments Committee therefore considered that the overall achievement rate for the qualitative criteria was 20.78/30ths. In conclusion of its analysis, the Committee recommended to the Supervisory Board that cumulative actual performance in relation to these quantifiable qualitative criteria should be rated as 58.39/100ths. Given the Calculation Base of 120% of Yves Chapot's annual fixed compensation (€600,000, prorated), the Multi-Criteria Annual Variable Component for 2018 amounts to €263,763. For more information, see section 4.4.7 b), Variable compensation of this Registration Document, pages 166 to 168, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.

(1) For reasons of confidentiality and business secrecy, and more particular to avoid disclosing information about the Company's strategy that could be used by competitors for their advantage, the Supervisory Board has elected not to disclose details of these performance targets to these quantitative and quantifiable criteria.

Compensation due or awarded for 2018	Amounts (or accounting value) submitted for shareholder approval *(in €)*	Presentation
Cash-settled deferred variable compensation awarded in 2018	- No cash-settled deferred variable compensation was due for 2018 - Amount €94,200	This long-term incentive bonus is calculated on a base amount of €600,000. This amount will be modulated by the application of the following three criteria set by the Supervisory Board and applicable over the three-year period: ▶ growth in the Michelin share price; ▶ environmental and corporate social responsibility performance: employee engagement and environmental performance of manufacturing operations (as measured by the MEF); ▶ growth in operating income(2). These criteria are the same as those applicable to the 2018 performance share plan for Group employees, which is not open to Mr. Chapot. They concern implementation of the Group's long-term strategy as expressed in the Ambitions for 2020. For 2018, the decision was made to set considerably tougher MEF targets. The achievement rate under this long-term incentive plan will be equal to 100% only if the targets for all three criteria are met in full. Capped at 120% of the annual average of the Annual Variable Components paid for the years 2018-2020, as prorated to reflect the period served as General Manager during the three years. The incentive bonus would be paid at the end of the three-year period, for an amount prorated to the actual period served as Manager during the three years. The Supervisory Board noted that, as this is a long-term incentive plan, no amount was due in respect of 2018. The liability recognized for the long-term incentive bonus in the Company's accounts at December 31, 2018 breaks down as follows: ▶ €60,000 corresponding to the theoretical bonus; ▶ €34,200 for payroll taxes, based on current rules and rates. For more information, see section 4.4.7 b), Variable compensation of this Registration Document, pages 166 to 168, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.
Stock options, performance shares and other share-based payments	N/A	No stock options granted. No performance shares granted. No other share-based payments.
Exceptional compensation	N/A	No exceptional compensation.
Attendance fees	N/A	Yves Chapot does not receive any attendance fees.
Value of fringe benefits	4,352	Company car.

(1) For reasons of confidentiality and business secrecy, and in particular to avoid disclosing information about the Company's strategy that could be used by competitors for their advantage, the Supervisory Board has elected not to disclose details of these performance targets to these quantitative and quantifiable criteria.

(2) Consolidated operating income based on a comparable consolidation scope and at constant exchange rates and accounting methods, excluding non-recurring items, as adjusted if necessary for the effects of any exceptional events.

Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments(1)	Amounts submitted for shareholder approval *(in €)*	Presentation
Compensation for loss of office	No compensation for loss of office was due for 2018	In accordance with Article 13-2 of the Bylaws, as approved by an extraordinary resolution of the May 13, 2011 Annual Shareholders Meeting, if Mr. Chapot were to be removed from office before the end of his term as a result of a change of strategy or a change of control of the Company, provided such removal was not due to gross misconduct, he would be entitled to compensation for loss of office to be decided by the Non-Managing General Partner and subject to the prior approval of the Supervisory Board. The amount of any such compensation would not exceed the equivalent of Mr. Chapot's total compensation for the two years preceding the year of his removal from office. It would be based on performance conditions decided by the Supervisory Board. The final compensation would be reduced, if applicable, so that any other severance payments due to Mr. Chapot would not result in his receiving an aggregate severance package in excess of two years' compensation, as recommended in the AFEP/MEDEF Code. For more information, see section 4.4.1 a) 6 on compensation in the 2017 Registration Document (page 126), and in section 4.4.2 m) (page 145) of this Document.
Non-compete indemnity	No indemnity was due under a non-compete clause in 2018	In the same way as Michelin employees who have specific expertise that needs to be protected to prevent its use by a competitor in a manner that is detrimental to the Company's interests, Mr. Chapot is subject to a non-compete clause under his suspended employment contract with the subsidiary MFPM. The Supervisory Board is, however, entitled to waive the application of this clause. If the Company were to decide to apply this non-compete clause over a period of up to two years, it would have to pay to Mr. Chapot the equivalent of up to 24 months' compensation based on the most recent fixed compensation paid to him by the subsidiary MFPM. The non-compete indemnity would be reduced or canceled, if necessary, so that Mr. Chapot's total severance package did not exceed the equivalent of the aggregate of his last two years' compensation, as recommended in the AFEP/MEDEF Code. For more information, see section 4.4.1 a) 7 on compensation in the 2017 Registration Document (page 126), and in section 4.4.2 m) (page 145) of this Document.
Supplementary pension benefits	No supplementary pension benefits were due for 2018	This description complies with the provisions of the Macron Act of August 6, 2015 and the enabling legislation dated February 23, 2016. Mr. Chapot is not a member of any pension plan set up specifically for executive officers. In his capacity as General Manager of CGEM, Yves Chapot participates in the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan). This plan, which is governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code has the following main features: ▶ participants must have served for at least five years as a senior executive; ▶ 1.5% of benefits vest each year, entitling participants to an annuity representing a replacement rate of up to 15% of the reference compensation (annual average of the best three years of compensation out of the last five years preceding the beneficiary's retirement); ▶ the replacement rate including benefit entitlements under compulsory plans is capped at 35%; ▶ an evaluation is carried out in accordance with Group accounting policies; ▶ benefit entitlement is conditional on participants ending their career at MFPM as an executive employee or executive officer, in accordance with Article L. 137-11 of the French Social Security Code; ▶ 70% of the prior year's benefit obligation is funded through a contribution to an insured plan. Mr. Chapot's reference compensation for 2018 in his capacity as executive director was made up of his annual fixed compensation and his annual variable compensation(2). Based on the assumptions set out in the Macron Act enabling legislation dated February 23, 2016, the estimated amount of annual income he will receive under this plan is €110,544. The actual gross replacement rate represented by pension benefits paid under the plan will be well below the 45% ceiling recommended in the AFEP/MEDEF Code.

(1) Unlike for joint stock corporations (sociétés anonymes, or S.A.s) the provisions concerning "related-party commitments" set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managers (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments).
The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the French Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the "principles and rules concerning the compensation and benefits granted to executive officers", whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the French Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company's executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code's recommendations.
(2) See detailed disclosures in sections 4.4.7 a) and 4.4.7 b) of this Registration Document.