

## PRESS RELEASE

Clermont-Ferrand, January 23, 2020

### **The Michelin Plant in La Roche-sur-Yon Agreement Signed by a Majority of Employee Representatives for an Employee Support Program**

**The proposed support program for employees at the Michelin plant in La Roche-sur-Yon, France was signed today by the CFDT, CFE-CGC, SUD and FO trade unions**

Following twelve weeks of negotiations from October 22, 2019 to January 7, 2020, the CFDT, CFE-CGC and SUD representative trade unions and the FO non-representative union met today at Michelin Group headquarters in Clermont-Ferrand and signed an agreement on the employee support measures to be deployed as part of the closure of the Group's plant in La Roche-sur-Yon.

Talks between Michelin's management and the different unions were conducted with the shared goal of working together to define a support plan as quickly as possible that reflects the actual needs expressed by plant employees.

The agreement will offer flexible job security, enabling every employee who is not eligible for early retirement to pursue his or her career either within the Group or externally through outplacement:

- in the case of a transfer or other inplacement solution, the agreement guarantees that employees who are not satisfied with or not suited to their new position will be offered another job at Michelin or outplacement support if they prefer to return to the La Roche-sur-Yon region;
- in the event of outplacement, employees who are not satisfied with their new position and are still on their trial period with their new employer will be able to return to the support program and seek new employment until the end of their retraining leave.

#### **Inplacement**

Michelin's priority is to enable La Roche-sur-Yon employees to pursue their careers within the Group, in line with its reaffirmed commitment to offering each person one or more positions at a Michelin facility in France. In particular, the agreement guarantees that La Roche-sur-Yon employees will be given precedence when it comes to filling the 100 new jobs to be created at the Cholet plant.

Financially, this commitment will be backed by:

- a €40,000 mobility bonus;
- compensatory payments to offset up to 75% of any salary shortfalls for three years;
- extensive support in finding new employment for spouses;
- full payment of all family moving expenses.

#### **Outplacement**

Michelin also reaffirms its commitment to providing tailored support to employees who opt to pursue their career outside the Group, with the aim of ensuring the viability and quality of proposed outplacement solutions. A specialized firm has been commissioned to provide individual support, first in defining the best career plan and then during the course of their 12-18 month retraining leave. A committee including union representatives has been formed to review each employee's proposed plan.

Financially, this commitment will be backed by:

- a flat €40,000 individual severance payment, with an additional settlement corresponding to two to eight months' salary, depending on the employee's age, and €500 per year of service;
- a €400 compensatory payment to offset any salary shortfalls for three years;
- a one-off €20,000 grant to support the creation of a new company, along with subsidies and assistance in arranging financing.

### **Early retirement measures**

The agreement initiates an early retirement program for employees eligible to take full retirement by the end of 2025, which corresponds to some 100 employees aged around 55 for production operators and around 57 for managers, administrative employees, technicians and supervisors.

In particular, the program comprises:

- an early retirement system consisting of two consecutive periods: one-third of the time remaining until full retirement at work (100% of base salary and bonus) and two-thirds on leave (75% of base salary and bonus);
- the introduction of minimum compensation of €1,700 per month during the leave period paid at 75% of base salary and bonus.

These measures may also be offered to employees of the semi-finished product operations at the Cholet plant, as stipulated in the agreement to support both the change in working hours (transition from four to three eight-hour shifts) and the elimination of 74 jobs due to the closure of the La Roche-sur-Yon plant.

This robust, comprehensive, concrete agreement is seamlessly aligned with the commitments undertaken by the Michelin Group when the closure was announced on October 10 and should enable every employee impacted by the decision to plan for their future careers with greater peace of mind.

Ensuring that the program is smoothly and effectively deployed is now the Group's priority, in the hope that the support measures can be rolled out as soon as possible. The proposed agreement remains subject to review by employee representatives under the "information-consultation" procedure, before validation by the Regional Office for Companies, Competition, Consumption, Labor and Employment (DIRECCTE).

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### **About the Michelin Group:**

Michelin is dedicated to sustainably enhancing the mobility of its customers. A global mobility leader, Michelin designs, manufactures and distributes the right tire for every customer need and use, as well as services and solutions that improve the efficiency of transportation systems. Michelin also offers its customers opportunities for unique experiences during their trips and travels. In addition, Michelin is developing high-tech materials for use in a wide variety of applications. Headquartered in Clermont-Ferrand, France, Michelin is present in 170 countries, employs more than 125,000 people and operates 67 tire plants that together produced around 190 million tires in 2018. ([www.michelin.com](http://www.michelin.com))