

This report has been prepared in application of Article L. 226-10-1 of the French Commercial Code (*Code de commerce*). It was approved by the Supervisory Board on February 12, 2021.

### 3.1 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Tire manufacturing is a capital-intensive industry in which the pace of technological innovation is relatively slow. It is therefore essential to be able to devise long-term plans and follow them through.

Throughout its history, Compagnie Générale des Établissements Michelin (CGEM), the Group’s parent company, has been organized as a partnership limited by shares (S.C.A.).

This partnership model offers three main advantages:

- ▶ it aligns Group management decisions with shareholder interests;
- ▶ it guarantees clear segregation of management and supervisory powers;
- ▶ it fosters direct ties with each shareholder, as all shares must be registered.

There are two partner categories.

The limited partners or shareholders, who provide capital, elect the members of the Supervisory Board and the Managers and approve the financial statements presented by Management.

Their liability is limited to the amount of their investment. All Michelin shares are registered, which enables the Group to better understand the expectations of its shareholders, who receive a return on their investment in the form of a dividend.

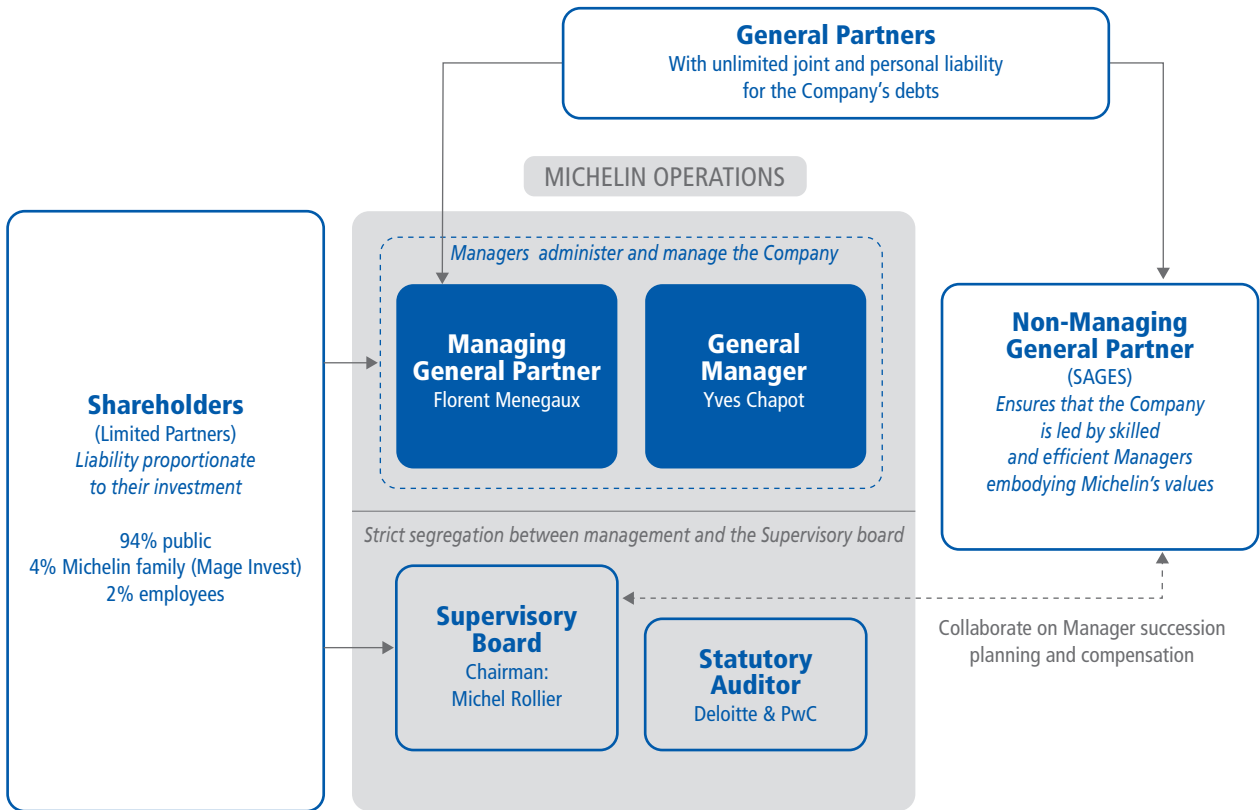
The General Partners, who have unlimited personal liability for the Company’s debts. They can be relieved of this liability only by decision of the shareholders in an Extraordinary Meeting. The General Partners may be shareholders but may not take part in any votes to elect Supervisory Board members or appoint Statutory Auditors. The General Partners receive a share of the Company’s profits in accordance with its Bylaws, subject to shareholder approval at the Annual Shareholders Meeting.

Since May 17, 2019, Michelin has had two General Partners: Florent Menegaux, Managing Chairman and Managing General Partner, and Société Auxiliaire de Gestion (SAGES), Non-Managing General Partner.

#### AN AGILE AND ROBUST GOVERNANCE STRUCTURE

<b>Organized as a partnership limited by shares</b>	Compagnie Générale des Établissements Michelin (“Michelin”) <b>has been organized since its foundation as a partnership limited by shares</b> ( <i>société en commandite par actions S.C.A.</i> ), <b>a flexible legal framework.</b>
<b>With customized characteristics</b>	Over the years, Michelin has crafted through this framework <b>a unique and balanced governance structure, that is a key driver of its sustainable long-term success, robust corporate culture and shared values.</b>
<b>Continuously enhanced</b>	Michelin constantly reviews and improves its governance and implements safeguards to provide all the <b>necessary controls and oversight to ensure shareholder protection and convergence of interests between the different stakeholders.</b>
<b>Serving the Company and its shareholders</b>	This corporate structure <b>provides stability and helps to protect the Company against short-term pressure that could be detrimental to shareholder value.</b> The success Michelin has achieved since its creation is the best testament that its governance has served the Company and its shareholders in an efficient manner.

**THE PILLARS OF MICHELIN'S GOVERNANCE**



**3.1.1 AN EXPERIENCED, STABLE AND RESPONSIBLE MANAGEMENT TEAM**

**3.1.1.1 Members**

Michelin is led by two Managers:

- ▶ Florent Menegaux, Managing General Partner elected by the Extraordinary Shareholders Meeting of May 18, 2018, and Managing Chairman
- ▶ Yves Chapot, General Manager elected May 18, 2018.

### 3.1.1.2 Biographical details, directorships and other positions held by the corporate officers at December 31, 2020



**FLORENT MENEGAUX**

**Managing General Partner**

**Nationality:** French

**Born in 1962**

**Business address:**

23, place des Carmes Déchaux  
63000 Clermont-Ferrand  
France

**First elected:** May 18, 2018

**Current term expires:** 2022 (Annual Shareholders Meeting called to approve 2021 financial statements)

**Number of shares held at December 31, 2020:** 27,211<sup>(1)</sup>

**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Menegaux joined Price Waterhouse in 1986 as a consultant. He was soon appointed manager, specializing in interest rate risk control and management for banks.

In 1991, Exel Logistics France, a logistics and transport company, offered him the position of Finance Director. Six months later, he was promoted to Chief Executive Officer. From 1995 to 1996, Florent Menegaux was Chief Executive Officer of the General Cargo Transport division for the Norbert Dentressangle group.

In 1997, Florent Menegaux joined Michelin as Commercial Director for Truck tires in the United Kingdom and the Republic of Ireland.

In 2000, Michelin appointed him Sales Director for Truck tires Original Equipment and Replacement markets for North America. In 2003, he became head of Truck tires for South America.

In 2005, he was appointed head of the Africa - Middle East region.

In January 2006, Mr. Menegaux became responsible for the Group's Passenger car and Light truck tire Replacement Business Unit for Europe, before being appointed to the Group Executive Committee as Executive Vice President, Passenger car and Light truck Product Line in 2008. He also oversees Michelin's Motorsports activities and Materials business.

In December 2014, he was appointed Chief Operating Officer and then Senior Executive Vice President of the Michelin Group in 2017.

Since January 2018, he has also overseen the Group's Business Departments, and the Manufacturing, Supply Chain and Customer Experience Operational Departments.

Florent Menegaux was appointed Managing General Partner on May 18, 2018; he became Managing Chairman of Compagnie Générale des Établissements Michelin on May 17, 2019<sup>(2)</sup>.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ Managing Chairman of Compagnie Générale des Établissements Michelin<sup>(2)</sup>
- ▶ Manager of Manufacture Française des Pneumatiques Michelin

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS**

**2016-2017**

None

**2018**

- ▶ Manager of Manufacture Française des Pneumatiques Michelin
- ▶ General Managing Partner of Compagnie Générale des Établissements Michelin<sup>(2)</sup>

**2019**

- ▶ Managing Chairman of Compagnie Générale des Établissements Michelin<sup>(2)</sup>
- ▶ Manager of Manufacture Française des Pneumatiques Michelin
- ▶ Manager of Compagnie Financière Michelin SCmA (since May 2019)

**2020**

- ▶ Managing Chairman of Compagnie Générale des Établissements Michelin<sup>(2)</sup>
- ▶ Manager of Manufacture Française des Pneumatiques Michelin
- ▶ Managing Partner of Compagnie Financière Michelin SCmA (CFM) (until October 2020)

(1) The Company's Bylaws stipulate that the Managing General Partner must hold at least 5,000 shares.

(2) Listed company.

**YVES CHAPOT****General Manager****Nationality:** French**Born in 1962****Business address:**23, place des Carmes Déchaux  
63000 Clermont-Ferrand  
France**First elected:** May 18, 2018**Current term expires:** 2022 (Annual Shareholders Meeting called to approve 2021 financial statements)**Number of shares held at December 31, 2020:** 11,700**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Yves Chapot holds a degree as a certified public accountant.

After an initial work experience at the Arthur Andersen consulting and audit firm, Yves Chapot joined the Michelin Group in 1992, assuming various management responsibilities within the internal audit team.

In 1997, he was appointed Chief Executive Officer for Taurus in Hungary. In 1999, he became Chief Financial Officer for Europe.

From 2005 to 2012, he was responsible for Michelin China. From 2007 to 2009, he was also in charge of the Passenger car and Light truck tire business for Asia.

In 2012, he was named head of Euromaster, before being appointed to the Group Executive Committee as Executive Vice President, Distribution in December 2014.

In March 2017, he was appointed Executive Vice President for the Passenger car and Light truck Product Line.

In January 2018, Mr. Chapot became Executive Vice President, Automotive Business Lines. He oversees the Automotive B2C Global Brands, Automotive B2C Regional Brands, Automotive Original Equipment Business Lines, and the following three Regions: Africa, India & Middle East, East Asia & Australia, and China.

Mr. Chapot was appointed General Manager of Compagnie Générale des Établissements Michelin on May 18, 2018.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ General Manager of Compagnie Générale des Établissements Michelin<sup>(1)</sup>
- ▶ Chairman of Compagnie Financière Michelin Suisse S.A.
- ▶ Chairman of Compagnie Financière Michelin S.A.

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS****2016-2017**

None

**2018**

- ▶ General Manager of Compagnie Générale des Établissements Michelin<sup>(1)</sup>

**2019**

- ▶ General Manager of Compagnie Générale des Établissements Michelin<sup>(1)</sup>
- ▶ Director of Compagnie Financière Michelin Suisse SA (since January 2019)

**2020**

- ▶ General Manager of Compagnie Générale des Établissements Michelin<sup>(1)</sup>
- ▶ Director (until December 2020) then Chairman (since December 2020) of Compagnie Financière Michelin Suisse SA
- ▶ Chairman of Compagnie Financière Michelin SA (since November 2020) (previously Compagnie Financière Michelin SCmA until the October 2020 change in its legal form)

(1) Listed company.

### 3.1.1.3 Role and responsibilities

The Managers are responsible for administering and managing the Company.

Their core responsibilities are to:

- ▶ define and implement the Group's strategy;
- ▶ lead the Group's business;
- ▶ establish internal control and risk management procedures and oversee their implementation;
- ▶ approve the financial statements of the Company and the Group;
- ▶ define financial information policies;
- ▶ prepare the various reports to shareholders.

The Group's operations are organized into three reportable segments (Automotive, Road Transportation and Specialties) dedicated to serving their global markets with products and services offered through 19 Business Lines.

Based on the needs identified by the Regions, the Business Lines define their strategy for designing market-leading products and services aligned with their competitive environment.

The 10 Regions are the direct points of contact with customers. Leveraging their close proximity to local markets and consumers, they identify key needs and market the products and services developed by the Business Lines. They represent the Group in the region and are responsible for customers' satisfaction.

Operational support is provided by six Operating Departments, which oversee the cost-effective design, manufacturing and organization of product and service flows to meet our customers' expectations:

- ▶ Research & Development Department;
- ▶ Manufacturing Department;
- ▶ Supply Chain Department;
- ▶ Customer Experience;
- ▶ Purchasing Department;
- ▶ Corporate Business Services Department.

Support functions, broken down into:

- ▶ local services integrated into the organization of the Regions;
- ▶ globalized platforms providing the best service to business and operating units in terms of cost, quality and lead times.

A lean Corporate group. This group is responsible for spearheading design and overall strategy as well as regulating interactions between the various entities and ensuring local initiatives are in line with the Group's project. It therefore focuses on the areas of Strategy, Innovation and Partnerships, Digital, Engagement & Brands, Internal Audit, Risk Management, Internal Control and Quality, Legal, Human Resources, Finance, Information Systems Security, Security and IT Environment Security.

The Managing Chairman is assisted by the Group Executive Committee presented on page 35 Chapter 1. A Group Management Committee is responsible for ensuring that the Executive Committee's decisions are widely embraced across the organization (see Chapter 1, page 36).

### 3.1.1.4 Liability

The Managing General Partners have unlimited personal liability for the debts incurred by Compagnie Générale des Établissements Michelin. This offers shareholders a rarely found level of assurance that the Group is run in their medium- to long-term interests, particularly during times of volatile markets or economic crisis. It also means that the Managers are especially vigilant in their management of corporate risks.

Consistent with this long-term commitment, the Managing General Partners may not relinquish their status as General Partners without the prior approval of shareholders given at an Extraordinary Meeting. They are therefore bound to assume the long-term consequences of the Group's management decisions.

## 3.1.2 SAGES, A NON-MANAGING GENERAL PARTNER, GUARANTEEING THE COMPANY'S LONG-TERM VIABILITY

In application of CGEM's Bylaws, Société Auxiliaire de Gestion (SAGES) is a Non-Managing General Partner of CGEM and consequently has unlimited liability for the Company's debts.

### 3.1.2.1 Membership and organization

SAGES is a French société par actions simplifiée (joint stock company) registered in Clermont-Ferrand under No. 870 200 466.

The Chairman of SAGES, Jacques d'Armand de Chateaueux, is its only executive director.

SAGES has three groups of shareholders – members of the founding family, current and former Michelin executives and qualified persons from outside the Group – each of which has the same proportionate shareholding and the same number of seats on its Board of Directors.

### 3.1.2.2 Biographical details, directorships and other positions held by the Chairman of SAGES at December 31, 2020

The Chairman of SAGES, Jacques d'Armand de Chateaueux, is its only executive director.



## JACQUES D'ARMAND DE CHATEAUVIEUX

**Chairman of SAGES  
Non-Managing General Partner**

**Nationality:** French

**Born in 1951**

**Business address:**

JACCAR  
Montée de l'Université  
13003 Marseille  
France

**Number of shares held at December 31, 2020:**

no shares owned directly  
348,300 shares owned by SAGES

### BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Jacques d'Armand de Chateauvieux is a graduate of Institut supérieur de gestion de Paris and holds an MBA from Columbia University, New York. As Chairman of Bourbon since 1979, he was instrumental in converting the company from a diversified conglomerate into an international group specialized in offshore oil and gas marine services.

### DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020

- ▶ Chairman of Jaccar Holdings SAS (France)
- ▶ Statutory Manager of CT CORP Sarl (France)
- ▶ Chairman of Sapmer S.A. <sup>(1)</sup>
- ▶ Chairman and Director of Sapmer Holding (Singapore)
- ▶ Chairman of Sapmer Investissements SAS (France)
- ▶ Chairman and Director of Greenship Holdings Manager Pte. Ltd (Singapore)
- ▶ Chairman of Evergas A/S (Denmark)
- ▶ Director of Sinopacific Shipbuilding Group (China)

### OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

#### 2016

- ▶ Chairman of Bourbon (France)
- ▶ Statutory Manager of CT Lux Sarl (Luxembourg)
- ▶ Chairman and Managing Director of Jaccar Holdings S.A. (Luxembourg)
- ▶ Chairman of Sapmer S.A. <sup>(1)</sup>
- ▶ Chairman of Sapmer Holding (Singapore)
- ▶ Chairman and a Director of Greenship Holdings (Singapore)
- ▶ Chairman of Evergas A/S (Denmark)
- ▶ Director of Sinopacific Shipbuilding Group (China)
- ▶ Partner of Compagnie Financière Michelin SCmA

#### 2017

- ▶ Chairman and Managing Chairman of Bourbon Corporation S.A. <sup>(1)</sup> (France)
- ▶ Statutory Manager of CT Lux Sarl (Luxembourg)
- ▶ Chairman of Jaccar Holdings SAS (France)
- ▶ Chairman of Sapmer S.A. <sup>(1)</sup>
- ▶ Chairman and Director of Sapmer Holding (Singapore)
- ▶ Chairman of Sapmer Investissements SAS (France)
- ▶ Chairman and Director of Greenship Holdings Manager Pte. Ltd (Singapore)
- ▶ Chairman of Evergas A/S (Denmark) Director of Sinopacific Shipbuilding Group (China)
- ▶ Partner of Compagnie Financière Michelin SCmA

#### 2018

- ▶ Chairman and Managing Chairman of Bourbon Corporation S.A. <sup>(1)</sup> (France)
- ▶ Statutory Manager of CT Lux Sarl (Luxembourg)
- ▶ Chairman of Jaccar Holdings SAS (France)
- ▶ Chairman of Sapmer S.A. <sup>(1)</sup>
- ▶ Chairman and Director of Sapmer Holding (Singapore)
- ▶ Chairman of Sapmer Investissements SAS (France)
- ▶ Chairman and Director of Greenship Holdings Manager Pte. Ltd (Singapore)
- ▶ Chairman of Evergas A/S (Denmark)
- ▶ Director of Sinopacific Shipbuilding Group (China)
- ▶ Partner of Compagnie Financière Michelin SCmA

#### 2019

- ▶ Chairman and Managing Chairman of Bourbon Corporation S.A. <sup>(1)</sup> (France)
- ▶ Statutory Manager of CT Lux Sarl (Luxembourg)
- ▶ Chairman of Jaccar Holdings SAS (France)
- ▶ Statutory Manager of CT CORP Sarl (France)
- ▶ Chairman of Sapmer S.A. <sup>(1)</sup>
- ▶ Chairman and Director of Sapmer Holding (Singapore)
- ▶ Chairman of Sapmer Investissements SAS (France)
- ▶ Chairman and Director of Greenship Holdings Manager Pte. Ltd (Singapore)
- ▶ Chairman of Evergas A/S (Denmark)
- ▶ Director of Sinopacific Shipbuilding Group (China)
- ▶ Partner of Compagnie Financière Michelin SCmA

#### 2020

- ▶ Chairman and Managing Chairman of Bourbon Corporation S.A. <sup>(1)</sup> (France)
- ▶ Chairman of Jaccar Holdings SAS (France)
- ▶ Statutory Manager of CT Lux Sarl (Luxembourg) (until December 2020 when CT Lux Sarl became CT CORP Sarl)
- ▶ Statutory Manager of CT CORP Sarl (France)
- ▶ Chairman of Sapmer S.A. <sup>(1)</sup>
- ▶ Chairman and Director of Sapmer Holding (Singapore)
- ▶ Chairman of Sapmer Investissements SAS (France)
- ▶ Chairman and Director of Greenship Holdings Manager Pte. Ltd (Singapore)
- ▶ Chairman of Evergas A/S (Denmark)
- ▶ Director of Sinopacific Shipbuilding Group (China)
- ▶ Partner of Compagnie Financière Michelin SCmA (until October 2020)

(1) Listed company.

### 3.1.2.3 Role and responsibilities

Société Auxiliaire de Gestion (SAGES) is a Non-Managing General Partner of CGEM and, as such, is responsible for guaranteeing the Company's management continuity. It has unlimited joint and several liability alongside the Managers for third party claims arising from the financial consequences of the Managers' management. General Partners can be relieved of this liability only by decision of the shareholders in an Extraordinary Meeting. The General Partners may be shareholders but may not take part in any votes to elect Supervisory Board members or appoint Statutory Auditors.

As SAGES is not a Manager, it is not authorized to play any part in the Company's management. However, if the position of CGEM's Manager were to fall vacant, SAGES would take on the Manager's role for an interim period and would be responsible for calling an Extraordinary Shareholders Meeting to elect a new Manager.

SAGES plays a key role, alongside the Supervisory Board and its Compensation and Appointments Committee, in the Managing Partner succession planning and compensation processes described in section 3.1.4 below.

To enable SAGES to assume its liability as Non-Managing General Partner of CGEM, at least 80% of its distributable earnings (derived mainly from the share of profits paid by CGEM in accordance with CGEM's Bylaws) is allocated to a contingency reserve fund set up purely for the purpose of covering any losses that may result from its liability as CGEM's General Partner or, on an exceptional, interim basis, as Manager. At least 30% of the reserve is invested in CGEM shares.

As part of the process to continuously modernize the Group's governance, the following changes were decided by SAGES and included in its Bylaws in December 2020:

- ▶ SAGES' main corporate documents (annual reports, management reports, auditors' reports, and proposed resolutions submitted to the partners, which contain information on (i) the terms of office and proposed elections of directors and (ii) the categories and breakdown of assets constituting the contingency reserve referred to above) shall be sent periodically to Michelin's Managing General Partner to be uploaded to the Group's website, [www.michelin.com](http://www.michelin.com).
- ▶ Any proposal to pay an annual dividend to SAGES' partners for an amount in excess of the cap specified in the Bylaws shall be submitted to the Managing General Partner for prior approval.
- ▶ The Managing General Partner (or the Chairman of the Supervisory Board if there is no Managing General Partner) shall be consulted prior to approving any new partner of SAGES and his or her designation as a director of the Company.
- ▶ Any proposal to amend SAGES' Bylaws to change its role and/or change the indefinite several liability of the General Partners shall be submitted to the Managing General Partner for prior approval.

## 3.1.3 STRICT SEPARATION BETWEEN THE SUPERVISORY BOARD (AND ITS COMMITTEES) AND MANAGEMENT

### 3.1.3.1 Membership of the Supervisory Board and membership changes in 2020

#### SUPERVISORY BOARD AS OF DECEMBER 31, 2020



\* Excluding the employee representatives.

#### Members

In accordance with the applicable law and the Company's Bylaws, the Supervisory Board currently has eleven members<sup>(1)</sup>, including nine selected from among the shareholders and elected by the Annual Shareholders Meeting for a term of four years and two representing employees.

General Partners may not take part in the vote. Supervisory Board members may be re-elected. Supervisory Board members may be re-elected. No more than one-third of Supervisory Board members may be aged over 75.



















(1) Five years for members elected prior to 2009. Certain members may be elected for a two- or three-year period in order to effectively stagger the terms of office of Supervisory Board members.

As of December 31, 2020 and as of the date of this report, the Supervisory Board had 11 members. Its membership complies with Articles L. 226-4-1 and L. 22-10-74 of the French Commercial Code concerning the balanced representation of men and women on Boards of Directors and Supervisory Boards and gender equality in the workplace, and the representation on the Board of employees of the Company and the Group.

The Supervisory Board's internal rules stipulate that each member must hold at least 400 shares or 600 shares in the case of the Chairman<sup>(1)</sup>.

Information about the compensation of Supervisory Board members is presented in sections 3.3.3, 3.5.1 and 3.6.1.4.

## Overview of the Supervisory Board (as of December 31, 2020)

Member	Independent <sup>(1)</sup>	Committee(s)	First elected	Re-elected <sup>(2)</sup>	Current term expires (AGM) <sup>(3)</sup>	Years on the Board	Number of shares held	Nationality	Age	Gender
Michel Rollier 		-	2013	2017	2021	7	24,392	French	76	M
Barbara Dalibard		Audit	2008	2013 <sup>(2)</sup> 2015 <sup>(3)</sup> 2019	2023	12	685	French	62	F
Jean-Pierre Duprieu		Compensation and Appointments 	2013	2016 2020	2024	7	510	French	68	M
Aruna Jayanthi		Compensation and Appointments	2015	2019	2023	5	400	Indian	58	F
Anne-Sophie de La Bigne		Compensation and Appointments Corporate Social Responsibility	2013	2016 2020	2024	7	903	French	60	F
Patrick de La Chevardière		Audit 	2020	-	2024	1	400	French	63	M
Jean-Christophe Laourde 		-	2020	-	2024	-	81	French	45	M
Thierry Le Hénaff 		Audit	2018	-	2022	2	400	French	57	M
Monique Leroux		Audit Corporate Social Responsibility 	2015 <sup>(4)</sup>	2018	2022	5	1,000	Canadian	66	F
Delphine Roussy 		-	2020	-	2024	-	10	French	38	F
Jean-Michel Severino		Corporate Social Responsibility	2020 <sup>(5)</sup>	-	2022	-	400 <sup>(6)</sup>	French	63	M

: Chairman : Senior Independent Member : Member representing employees

(1) Based on the criteria set in the Supervisory Board's internal rules which correspond to those recommended in the AFEP/MEDEF Corporate Governance Code for listed companies.

(2) At the Annual Meeting of May 15, 2009, shareholders voted to reduce the term of Supervisory Board members from five years to four.

(3) At the Annual Meeting of May 17, 2013, shareholders voted to elect Supervisory Board members for terms of two, three or four years, so that their terms do not all expire at the same time.

(4) Monique Leroux was appointed as a member of the Supervisory Board on October 1, 2015 to replace Laurence Parisot, who had resigned, for the remainder of Ms. Parisot's term of office.

(5) Jean-Michel Severino was appointed as a member of the Supervisory Board on November 12, 2020 to replace Cyrille Poughon, who had resigned, for the remainder of Mr. Poughon's term of office.

(6) At January 20, 2021

## Changes in 2020

The Supervisory Board pays close attention to the situation of members whose term is due to expire at the next Annual Shareholders Meeting.

The terms of office of Anne-Sophie de La Bigne and Jean-Pierre Duprieu expired at the close of the Annual Shareholders Meeting on June 23, 2020 and Olivier Bazil announced that he intended to step down from the Board at the close of the meeting.

(1) With the exception of members representing employees.



Anne-Sophie de La Bigne and Jean-Pierre Duprieu informed the other Supervisory Board members that they wished to stand for re-election. Patrick de La Chevardière was selected by the Compensation and Appointments Committee as a candidate to fill the seat left vacant by Olivier Bazil's resignation.

Following this review, on the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided (without the persons concerned taking part in the decision) to recommend to the Annual Shareholders Meeting:

- ▶ to re-elect Anne-Sophie de La Bigne for a four-year term (resolution of the Annual Shareholders Meeting of June 23, 2020 adopted by a majority of 99.85% of the votes cast);

- ▶ to re-elect Jean-Pierre Duprieu for a four-year term (resolution of the Annual Shareholders Meeting of June 23, 2020 adopted by a majority of 99.86% of the votes cast);
- ▶ to elect Patrick de La Chevardière for a four-year term (resolution of the Annual Shareholders Meeting of June 23, 2020 adopted by a majority of 99.88% of the votes cast).

Cyrille Poughon also stepped down from the Board during the year and was replaced by Jean-Michel Severino by decision of the Board. Jean-Michel Severino's appointment as an independent Supervisory Board member and member of the new Corporate Social Responsibility Committee (CSR Committee) will be submitted to shareholders for ratification at the next Ordinary Shareholders Meeting.

### 3.1.3.2 Role and responsibilities

The Company applies the recommendations set out in the Corporate Governance Code for Listed Companies ("AFEP/MEDEF Code", revised version dated January 2020).

In accordance with the introduction to the Code, these recommendations are adapted as necessary to reflect the Company's organization as a partnership limited by shares ("SCA").

To enable the Supervisory Board to effectively fulfill its oversight role, its members receive quarterly reports presenting key performance indicators, as well as regular information such as copies of the Group's main press releases, research reports published by analysts who follow Michelin, and updates on the Group's markets.

## THE SUPERVISORY BOARD'S SPECIFIC ROLES AND RESPONSIBILITIES

### SPECIFIC DUTIES OF THE SUPERVISORY BOARD REGARDING THE GROUP'S STRATEGY

- ▶ **Regular review of the Group's strategy**
- ▶ **Periodic review of the Group's:**
  - markets of operation,
  - financial results and financial statements,
  - organization and operations,
  - risk management and internal control policies,
  - compensation and appointment policies,
  - corporate social responsibility policy;
- ▶ **Formal recommendation to the Managers for:**
  - significant investments,
  - external growth transactions,
  - divestitures,
  - off-balance sheet commitments.

### SPECIFIC DUTIES OF THE SUPERVISORY BOARD REGARDING CORPORATE GOVERNANCE

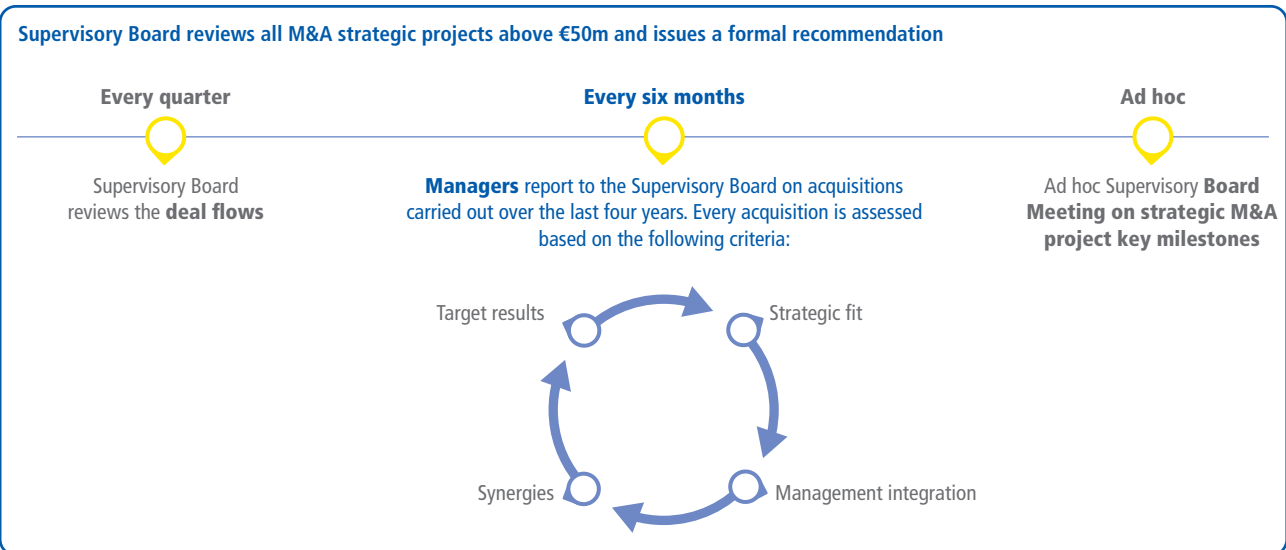
- ▶ **Prior Board approval:**
  - Managers' renewal,
  - Managers' dismissal and severance payments;
- ▶ **Prior Board recommendation to the shareholders:**
  - appointments of new Managers and of the Managing Chairman,
  - General Managers' compensation (policy, information) and Supervisory board members compensation;
- ▶ **Determination of Managers' compensation performance criteria and assessment of Managers' achievement of compensation performance targets**
- ▶ **Prior Board recommendation regarding:**
  - appointments and succession planning for members of the Executive Committee,
  - diversity objectives within management bodies and corresponding action plans,
  - compensation policy for members of the Executive Committee.

To enable the Supervisory Board to effectively fulfill its oversight role, its members receive quarterly reports presenting key performance indicators, as well as regular information such as copies of the Group's main press releases, research reports published by analysts who follow Michelin, and updates on the Group's markets.

The recommendation provided under Article 1.9 of the AFEP/MEDEF Code, according to which material transactions outside the scope of the firm's stated strategy should be subject to prior approval by the Board of Directors, has to be adapted because of the Company's legal form as a partnership limited by shares<sup>(1)</sup>. With this type of partnership, the Managing General Partners have unlimited personal liability. There is also a total separation of powers between Managers, whether or not they are General Partners. Their powers are completely separate from those of the Supervisory Board, with the result that the Supervisory Board has no authority to become involved in managing the Company.

However, to (i) ensure that the Supervisory Board exercises effective oversight of the Company's management and (ii) adhere to the spirit of the AFEP/MEDEF recommendation, since 2011 the Company has amended its Bylaws, as well as the Supervisory Board's internal rules<sup>(2)</sup>.

The internal rules state that the Supervisory Board is responsible for examining investment and external growth transactions, off-balance sheet commitments and asset disposals, and is required to issue a formal opinion in cases where the transactions are material for the Group due to their nature or associated risks. For this purpose, "material" means transactions representing at least €100 million, or at least €50 million in the case of external growth transactions. This means that the Supervisory Board is automatically consulted about all projects that are material for the Group. Moreover, as it expresses an opinion on such projects, it is clearly able to report to shareholders thereon if appropriate.



(1) This exception to the full application of the AFEP/MEDEF Code's recommendations is mentioned in the table in section 3.2.8 prepared in accordance with the "comply or explain" rule."

(2) Available from the Group's website [www.michelin.com](http://www.michelin.com).

### 3.1.3.3 Diverse profiles and experiences represented on the Board – Gender balance on management bodies

#### Diverse profiles and experiences represented on the Board

In line with the Group’s values, the Board consistently endeavors to propose candidates from diverse backgrounds and cultures and with diverse experiences, so that its membership is balanced and aligned with its role and responsibilities.

The main terms of the diversity policy are proposed by the Compensation and Appointments Committee. The policy is applied

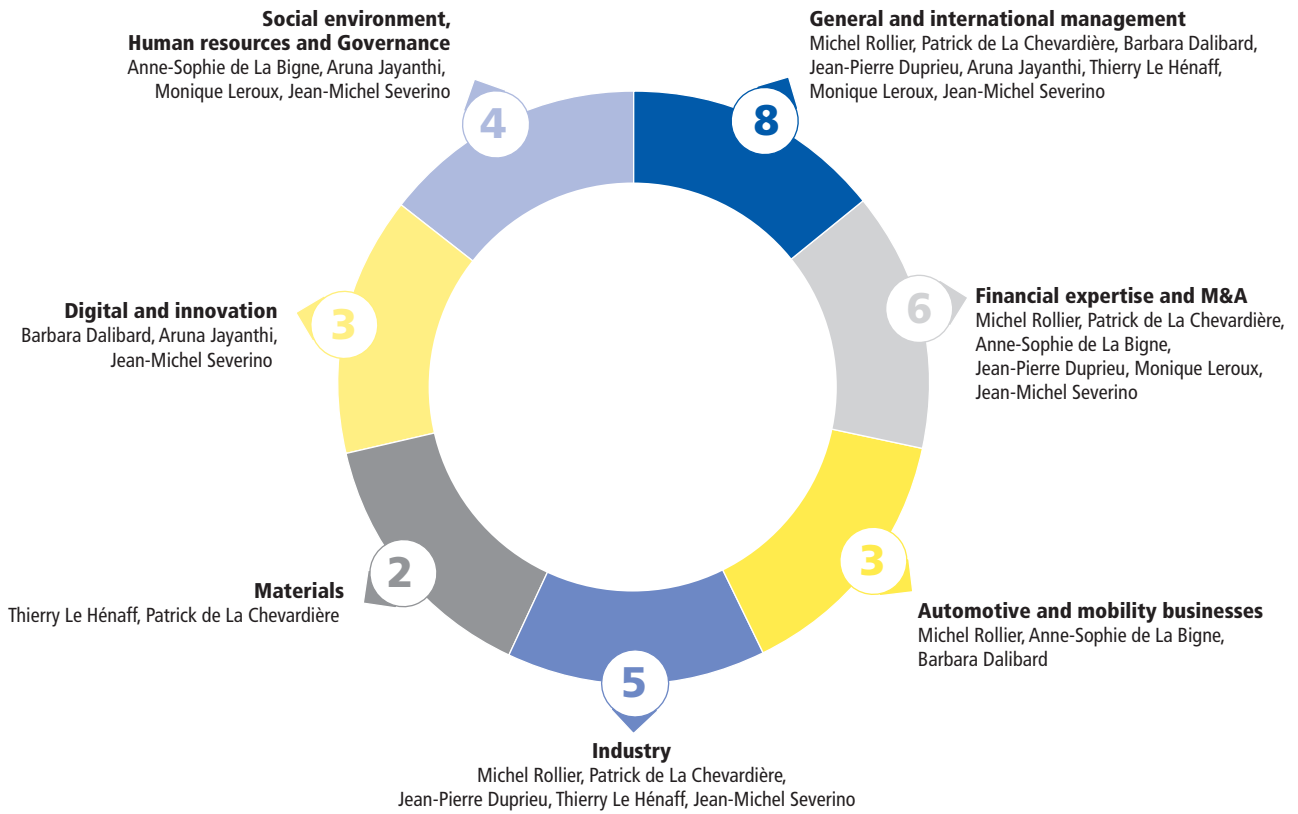
by the Committee and the Board when preparing Supervisory Board succession plans and assessing the Board’s practices. They can be assisted by recognized outside consultants.

The Supervisory Board diversity policy for 2020 is described below, as required by Article L. 22-10-10-2 of the French Commercial Code.

Criteria	Objectives confirmed in 2020	Implementation method	2020 results
<b>Age limit</b>	No more than one-third of Supervisory Board members to be aged 75 or over	No candidates aged 75 or over should be proposed for election or re-election at the Shareholders Meeting if their election or re-election would result in the one-third limit being exceeded	The candidates elected or re-elected at the Shareholders Meeting did not result in over one-third of Board members being aged 75 or over
<b>Supervisory Board gender equality</b>	At least 40% of Board members should be women, as required by Article L. 22-10-74 of the French Commercial Code	Board to recommend to the Shareholders Meeting to re-elect incumbent women members and elect women candidates to replace women who are stepping down	Anne-Sophie de La Bigne and Jean-Pierre Duprieu were re-elected on the Board’s recommendation, maintaining the proportion of women members at 45%
<b>Availability/ attendance</b>	Members should demonstrate, through their availability and attendance rate at meetings of the Board and Board Committees, that they devote the necessary time and attention to their duties (going beyond the statutory requirements and the requirements of the AFEP/ MEDEF Code concerning multiple directorships)	Over half of each member’s compensation is tied to his or her attendance rate at meetings of the Board and its Committees Incumbent Board members will not be proposed for re-election if their average attendance rate at scheduled meetings was less than 85% over the last three years of their term of office	The average attendance rate over the three years 2017/2018/2019 of Anne-Sophie de La Bigne and Jean-Pierre Duprieu, who were re-elected on the Board’s recommendation, was 100% and 97% respectively The Board members’ overall attendance rate in 2020 was 100%
<b>Qualifications/ professional experience/ international outlook/adherence to the Group’s values</b>	Board members should offer an appropriate overall combination of academic qualifications, professional experience in the areas of manufacturing, finance, internal control, digital technology and leadership of major French listed groups with a global reach, and adherence to the Group’s values  A specific objective for the period to 2023 is to consolidate/strengthen the expertise in sustainability and digital technologies represented on the Board	Decisions concerning candidates to be proposed for re-election or election to the Board by the Shareholders Meeting focus on maintaining the overall qualitative combination of qualifications and experience in the areas of executive management and new technologies  The Chair and the majority of members of the Audit Committee are selected for their academic qualifications and international experience in finance and internal control  More detailed examination of CSR issues by the Board	Patrick de La Chevardière, who was appointed by the Board to fill the seat left vacant by the resignation of Olivier Bazil, is an expert in finance and M&A (details of his experience are provided in section 7.2.1.1 of the 2019 Universal Registration Document)  Creation of a CSR Committee (see section 3.2.11 of this report) and appointment to the Board of Jean-Michel Severino, who contributes his social environment, human resources and governance expertise (details of his experience are provided in section 7.2.1 of the 2020 Universal Registration Document)  22% of Board members were foreign nationals in 2020

Criteria	Objectives confirmed in 2020	Implementation method	2020 results
<b>Size of the Board</b>	Number of Board members should not exceed the ten-member cap specified in the Bylaws (not including members representing employees elected in accordance with the law), to guarantee Board efficiency by fostering effective interactions between members and between the Board and the Managers	No additional members to be proposed for election at the Shareholders Meeting, except to comply with legal requirements	No additional members were proposed for election in 2020 and the number of members (excluding members representing employees) was unchanged
<b>Independence</b>	At least 50% of Supervisory Board members should be independent, based on the definition in the AFEP/MEDEF Code	Incumbent independent members to be proposed for election for as long as they fulfill the independence criteria (in particular, not to have served on the Board for more than 12 years) or new independent members to be proposed for election to replace members who no longer fulfill the independence criteria	Anne-Sophie de La Bigne and Jean-Pierre Duprieu, who were re-elected on the Board's recommendation, are both independent members Patrick de La Chevardière who was elected to the Board, and Jean-Michel Severino who was appointed, to replace two members who had stepped down (including one non-independent member) are both independent members; 78% of members were independent in 2020 (excluding members representing employees)
<b>Employee representation on the Supervisory Board</b>	A new objective set in 2019: to improve application of the new rules resulting from the PACTE Act (Act No. 2019-486), designation of two members representing the employees of the French subsidiaries for eight members elected by the shareholders	Resolution presented at the 2020 Annual Shareholders Meeting to include the necessary clause in the Company's Bylaws for the designation of two Supervisory Board members representing the employees of the French subsidiaries	As from 2014, one member representing employees was elected to the Board by the Annual Shareholders Meeting. ▶ The Annual Shareholders Meeting of June 23, 2020 decided to amend the Company's Bylaws to comply with the PACTE Act, and ▶ in December 2020 the Supervisory Board welcomed two new members representing employees, Delphine Roussy and Jean-Christophe Laourde

The experience and expertise contributed by each member of the Supervisory Board<sup>(1)</sup> as of the date of this Universal Registration Document may be summarized as follows:



### Gender balance on management bodies<sup>(2)</sup>

As for all corporate social responsibility issues, the CSR Committee reviews the Group's policies and ambitions in terms of diversities and inclusion.

Michelin has launched a certain number of initiatives to make all positions accessible to women and ensure gender wage parity. Specific action plans have been launched in each of the Group's host regions to increase the number of women in management

positions, with a view to raising the proportion of women managers to 30% by 2020. This plan is detailed in section 4.1.2.2 c) of this 2020 Universal Registration Document. Its implementation led to measures to rebalance the membership of the Group's management bodies, including that of the Executive Committee<sup>(3)</sup>.

(1) Excluding members representing employees.

(2) The reporting scope for this information extends beyond the Company, which has less than five employees (none of whom are executive directors).

(3) Appointments announced on December 7, 2020.

### 3.1.3.4 Biographical details, directorships and other positions held by the corporate officers at December 31, 2020

#### Information about Supervisory Board members

Detailed information about each of the Supervisory Board members is presented below.



#### **MICHEL ROLLIER**

**Non-independent member  
of the Supervisory Board  
Chairman of the Supervisory Board**

**Nationality:** French  
**Born in 1944**

#### **Business address:**

Michelin  
27, cours de l'Île-Seguin  
92100 Boulogne-Billancourt  
France

**First elected:** May 17, 2013

**Current term expires:** 2021 (Annual Shareholders Meeting called to approve 2020 financial statements)

**Number of shares held at December 31, 2020:** 24,392

#### **BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Michel Rollier is Chairman of the Supervisory Board of Somfy S.A.<sup>(1)</sup>

He began his career at Aussedat-Rey (part of the International Paper group) in 1971, initially occupying the post of Financial Controller before going on to head up a business unit. He then held the position of Chief Financial Officer between 1987 and 1994 and subsequently Deputy Managing Chairman from 1994 to 1996.

He joined Michelin in 1996 as Vice President, Financial & Legal Affairs and then served as Chief Financial Officer and a member of the Executive Council from 1999 to 2005.

He was elected Managing General Partner by Michelin's shareholders on May 20, 2005, serving alongside Édouard Michelin until Mr. Michelin's tragic death in 2006. Mr. Rollier stepped down as Managing General Partner in May 2012.

#### **DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ Chairman of the Supervisory Board of Somfy S.A.<sup>(1)</sup>
- ▶ Chairman of the Remunerations Committee of Somfy S.A.<sup>(1)</sup>
- ▶ Chairman of the Board of Directors of Siparex Associés
- ▶ Chairman of Association Nationale des Sociétés par Actions (ANSA)

#### **OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS**

##### **2016**

- ▶ Chairman of the Board of Directors of Siparex Associés
- ▶ Chairman of the Supervisory Board of Somfy S.A.<sup>(1)</sup>
- ▶ Chairman of the Remunerations Committee of Somfy S.A.<sup>(1)</sup>
- ▶ Director of Lafarge
- ▶ Member of the AFEP/MEDEF High Committee on Corporate Governance
- ▶ Chairman of Association Nationale des Sociétés par Actions (ANSA)
- ▶ Chairman of Plateforme de la Filière Automobile (PFA)

##### **2017**

- ▶ Chairman of the Board of Directors of Siparex Associés
- ▶ Chairman of the Supervisory Board of Somfy S.A.<sup>(1)</sup>
- ▶ Chairman of the Remunerations Committee of Somfy S.A.<sup>(1)</sup>
- ▶ Chairman of the AFEP/MEDEF High Committee on Corporate Governance
- ▶ Chairman of Association Nationale des Sociétés par Actions (ANSA)
- ▶ Chairman of Plateforme de la Filière Automobile (PFA)

##### **2018**

- ▶ Chairman of the Supervisory Board of Somfy S.A.<sup>(1)</sup>
- ▶ Chairman of the Remunerations Committee of Somfy S.A.<sup>(1)</sup>
- ▶ Chairman of the Board of Directors of Siparex Associés
- ▶ Chairman of the AFEP/MEDEF High Committee on Corporate Governance (*until October 2018*)
- ▶ Chairman of Association Nationale des Sociétés par Actions (ANSA)

##### **2019-2020**

- ▶ Chairman of the Supervisory Board of Somfy S.A.<sup>(1)</sup>
- ▶ Chairman of the Remunerations Committee of Somfy S.A.<sup>(1)</sup>
- ▶ Chairman of the Board of Directors of Siparex Associés
- ▶ Chairman of Association Nationale des Sociétés par Actions (ANSA)

(1) Listed company.



**OLIVIER BAZIL**

**Independent member  
of the Supervisory Board<sup>(1)</sup>  
Chairman of the Audit Committee<sup>(1)</sup>**

**Nationality:** French

**Born in 1946**

**Business address:**

Legrand  
128, avenue de Lattre de Tassigny  
87000 Limoges  
France

**First elected:** May 17, 2013

**Current term expires:** 2021 (Annual Shareholders Meeting called to approve 2020 financial statements)<sup>(2)</sup>

**Number of shares held at December 31, 2020:** 1,010

**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Olivier Bazil is a Director of Legrand<sup>(3)</sup> and a member of the Board's Strategy Committee and Nominating and Compensation Committee. In 2017, he was also a Director of Vallourec<sup>(3)</sup>, Chairman of Vallourec's Audit Committee and a member of its Strategy Committee.

He has spent his entire career with Legrand<sup>(3)</sup>, which he joined in 1973 as Deputy Company Secretary before going on to become Chief Financial Officer (1979), a Director (1989), Deputy Managing Chairman and a member of the Executive Committee (1994), and then Vice Chairman of the Board of Directors and Chief Operating Officer.

Mr. Bazil is a graduate of HEC and holds an MBA from Harvard Business School.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ Director of Legrand<sup>(3)</sup> and member of the Board's Strategy Committee and Nominating Committee.

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS**

**2016**

- ▶ Director of Legrand<sup>(3)</sup> and member of the Board's Strategy Committee and Nominating Committee
- ▶ Director of Firmenich International S.A. and Chairman of its Audit Committee
- ▶ Member of the Supervisory Board of Société Civile du Château Palmer
- ▶ Chairman of Fritz S.A.S.
- ▶ Director of Vallourec<sup>(3)</sup>, Chairman of its Audit Committee and member of its Strategy Committee

**2017**

- ▶ Director of Legrand<sup>(3)</sup> and member of the Board's Strategy Committee and Nominating Committee
- ▶ Member of the Supervisory Board of Société Civile du Château Palmer
- ▶ Chairman of Fritz S.A.S.
- ▶ Director of Vallourec, Chairman of its Audit Committee and member of its Strategy Committee<sup>(3)</sup> (until May 2017)

**2018**

- ▶ Director of Legrand<sup>(3)</sup> and member of the Board's Strategy Committee and Nominating Committee
- ▶ Member of the Supervisory Board of Société Civile du Château Palmer
- ▶ Chairman of Fritz S.A.S.

**2019**

- ▶ Director of Legrand<sup>(3)</sup> and member of the Board's Strategy Committee and Nominating Committee
- ▶ Member of the Supervisory Board of Société Civile du Château Palmer (until December 2019)
- ▶ Chairman of Fritz S.A.S. (until December 2019)

**2020**

- ▶ Director of Legrand<sup>(3)</sup> and member of the Board's Strategy Committee and Nominating Committee

(1) Until he stepped down from the Board in June 2020.

(2) Theoretical expiry date (stepped down in June 2020).

(3) Listed company.

**BARBARA DALIBARD**

**Non-independent member of the Supervisory Board**  
**Senior Independent Member of the Supervisory Board<sup>(1)</sup>**  
**Chair of the Compensation and Appointments Committee<sup>(1)</sup>**  
**Member of the Audit Committee<sup>(2)</sup>**

**Nationality:** French

**Born in 1958**

**Business address:**

SITA  
 26, chemin de Joinville  
 PO Box 31  
 1216 Cointrin  
 Geneva  
 Switzerland

**First elected:** May 16, 2008

**Current term expires:** 2023 (Annual Shareholders Meeting called to approve 2022 financial statements)

**Number of shares held at December 31, 2020:** 685

**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Barbara Dalibard has been Chief Executive Officer of SITA, the world's leading specialist in air transport communications and information technology, since 2016.

She is a graduate of École Normale Supérieure, where she qualified to lecture in mathematics, a graduate of École Nationale Supérieure des Télécommunications (ENST) and an honorary Corps des Mines engineer.

She has held varying roles in numerous companies in the field of new technologies.

After beginning her career at France Télécom group, Ms. Dalibard became the chair of Alcanet International, a subsidiary of the Alcatel group, in 1998. She was then responsible for the France division of the Alcatel CIT group, where she contributed to the development of ADSL and 3G.

At Orange, she played a key role in implementing RENATER, the first network based on Internet technology. In 2003, she joined the Group's Executive Committee and was the Chief Executive Officer of Orange Business Services, a subsidiary located in 220 countries and regions.

Ms. Dalibard joined SNCF in 2010 and was appointed Chief Executive Officer of SNCF Voyageurs (the TGV, Eurostar, Thalys businesses, etc.), then SNCF Voyageurs, which includes all of the group's passenger activities, long-distance travel, TER, Transilien and train stations. She contributed to the development of electronic ticketing, new passenger information applications and the "door-to-door" business. She launched OUIGO, the first low-cost TGV, and the Ouibus long-distance coach subsidiary.

She also served as a member of the Board of Directors of Société Générale and as a member of the Supervisory Board of Wolters Kluwer.

Barbara Dalibard is an Officer of the Légion d'honneur, Officer of the Ordre du Mérite, member of the Académie des Technologies and Doctor *Honoris Causa* of École Polytechnique de Montreal.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ Chief Executive Officer of SITA

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS****2016**

- ▶ Chief Executive Officer of SNCF Voyageurs, then Chief Executive Officer of SITA
- ▶ Chair of the Board of Directors of VSC Group
- ▶ Director of Eurostar International Limited
- ▶ Member of the Board of Directors of Société Générale
- ▶ Chief Executive Officer of SITA

**2017-2020**

- ▶ Chief Executive Officer of SITA

(1) Until June 2020.

(2) From June 2020.





**JEAN-PIERRE DUPRIEU**

**Independent member of the Supervisory Board**  
**Member of the Audit Committee<sup>(1)</sup>**  
**Chairman of the Compensation and Appointments Committee<sup>(2)</sup>**

**Nationality:** French  
**Born in 1952**

**Business address:**

Michelin  
27, cours de l'Île-Seguin  
92100 Boulogne-Billancourt  
France

**First elected:** May 17, 2013

**Current term expires:** 2024 (Annual Shareholders Meeting called to approve 2023 financial statements)

**Number of shares held at December 31, 2020:** 510

**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Jean-Pierre Duprieu was Executive Vice President of the Air Liquide group<sup>(3)</sup>.

Between 2010 and 2016, he was a member of Air Liquide's Executive Management team, in charge of supervising the group's European and Healthcare activities as well as corporate functions, including information systems and Efficiency/Purchasing programs.

He is currently Chairman of the Board of Directors of Korian<sup>(3)</sup>, Director of Groupe SEB<sup>(3)</sup> and member of the Supervisory Board of Dehon S.A.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ Chairman of the Board of Directors of Korian<sup>(3)</sup>
- ▶ Independent Director of Groupe SEB<sup>(3)</sup>
- ▶ Independent member of the Supervisory Board of Dehon S.A.

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS**

**2016**

- ▶ Executive Vice President of the Air Liquide group<sup>(3)</sup>
- ▶ Director of Air Liquide Santé International
- ▶ Chairman of the Board of Directors of Air Liquide Eastern Europe
- ▶ Director of Air Liquide Welding
- ▶ Independent Director of Korian<sup>(3)</sup> and member of the Audit Committee

**2017**

- ▶ Director of Air Liquide Welding (*until July 2017*)
- ▶ Independent Director of Korian<sup>(3)</sup>, Chairman of the Compensation and Appointments Committee and member of the Audit Committee

**2018**

- ▶ Independent Director of Korian<sup>(3)</sup>, Chairman of the Compensation and Appointments Committee and member of the Audit Committee

**2019**

- ▶ Independent Director of Korian<sup>(3)</sup>, Chairman of the Compensation and Appointments Committee and member of the Audit Committee
- ▶ Independent Director of Groupe SEB<sup>(3)</sup>

**2020**

- ▶ Independent Director of Korian<sup>(3)</sup>, Chairman of the Compensation and Appointments Committee and member of the Audit Committee (*until September 2020*)
- ▶ Independent Director of Groupe SEB<sup>(3)</sup>
- ▶ Member of the Supervisory Committee of Dehon S.A. (*since November 2020*)

(1) *Until June 2020.*

(2) *Since June 2020.*

(3) *Listed company.*

**ARUNA JAYANTHI**

**Independent member of the Supervisory Board  
Member of the Compensation and Appointments Committee**

**Nationality:** Indian

**Born in 1962**

**Business address:**

Capgemini Technology Services India Limited.  
Plot no. IT3  
IT4 Airoli Knowledge Park  
TTC Industrial Area, MIDC,  
Navi Mumbai 400708  
India

**First elected:** May 22, 2015

**Current term expires:** 2023 (Annual Shareholders Meeting called to approve 2022 financial statements)

**Number of shares held at December 31, 2020:** 400

**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

From 2011 until the end of 2015, Aruna Jayanthi was Chief Executive Officer of Capgemini India, responsible for overseeing all of the Capgemini group's operations in India, covering Consulting, Technology and Outsourcing Services provided by some 50,000 employees.

In 2016, she became head of a new global Business Services Unit comprising ITOPS and BPO (Capgemini and IGATE). In 2018, she was appointed to lead the Group's operations in the Asia-Pacific and Latin America regions, before becoming Managing Director of these Business Units.

She is a member of the Group Executive Committee.

After obtaining a Master's degree in finance management from the Narsee Monjee Institute of Management Studies in Mumbai, Aruna Jayanthi held various IT services positions between 1984 and 2000 (including at clients' offices in Europe and the United States), with Tata Consulting Services, Aptech and other companies.

She joined the Capgemini group in 2000.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ Director of Equation Capital Partners LLP
- ▶ Director of Capgemini Technology Services India Limited
- ▶ Director of Capgemini Saudi Limited
- ▶ Director of Capgemini Brasil S.A.
- ▶ Director of Capgemini Business Services Guatemala S.A.
- ▶ Director of Capgemini Business Services (China) Limited
- ▶ Director of Capgemini Australia Pty Limited
- ▶ Director of Capgemini Hong Kong Ltd
- ▶ Director of Capgemini Asia Pacific Pte Limited
- ▶ Director of Capgemini Mexico, S. DE R.L DE C.V
- ▶ Director of Capgemini (Hangzhou) Co. Ltd
- ▶ Director of Solcen Technologies Private Limited

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS****2016**

- ▶ Director of Capgemini Norge AS
- ▶ Director of Capgemini Technology Services Maroc S.A.
- ▶ Chair of the Board of Directors of Capgemini India Private Limited
- ▶ Director of Capgemini Business Services India Private Limited (formerly Capgemini Business Services India Limited) (until March 2016)
- ▶ Director of Pune Software Park Private Limited (until April 2016)
- ▶ Chair of the Board of Directors of Capgemini Sverige AB

**2017**

- ▶ Director of Capgemini Norge AS
- ▶ Chair of the Board of Directors of Capgemini Sverige AB
- ▶ Director of Espire AS
- ▶ Chair of the Supervisory Board of Capgemini Polska Sp. Z.o.o.
- ▶ Director of Capgemini Technology Services India Limited (since May 2017)

**2018**

- ▶ Director of Capgemini Norge AS
- ▶ Chair of the Board of Directors of Capgemini Sverige AB
- ▶ Director of Espire AS (until April 2018)
- ▶ Chair of the Supervisory Board of Capgemini Polska Sp. Z.o.o.
- ▶ Director of Capgemini Technology Services India Limited
- ▶ Director of SBI Capital Markets Limited (until September 2018)
- ▶ Director of Equation Capital Partners LLP
- ▶ Director of Capgemini Brasil S.A. (since September 2018)
- ▶ Director of Capgemini Business Services Guatemala S.A.
- ▶ Director of Capgemini Business Services (China) Limited (since November 2018)
- ▶ Director of Capgemini Saudi Limited (since July 2018)

### **ARUNA JAYANTHI (CONTINUATION)**

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#### **2019**

- ▶ Director of Equation Capital Partners LLP
- ▶ Director of Capgemini Technology Services India Limited
- ▶ Director of Capgemini Saudi Limited
- ▶ Director of Capgemini Brasil S.A.
- ▶ Director of Capgemini Business Services Guatemala S.A. (since August 2019)
- ▶ Director of Capgemini Business Services (China) Limited
- ▶ Director of Capgemini Australia Pty Limited (since April 2019)
- ▶ Director of Capgemini Hong Kong Ltd (since October 2019)
- ▶ Director of Capgemini Asia Pacific Pte Limited (since October 2019)
- ▶ Director of Capgemini Mexico, S. DE R.L DE C.V (since November 2019)
- ▶ Director of Capgemini Sverige AB (until June 2019)
- ▶ Director of Capgemini Polska Sp.z o.o. (until August 2019)
- ▶ Director of Capgemini Norge AS (until May 2019)

#### **2020**

- ▶ Director of Equation Capital Partners LLP
  - ▶ Director of Capgemini Technology Services India Limited
  - ▶ Director of Capgemini Saudi Limited
  - ▶ Director of Capgemini Brasil S.A.
  - ▶ Director of Capgemini Business Services Guatemala S.A.
  - ▶ Director of Capgemini Business Services (China) Limited
  - ▶ Director of Capgemini Australia Pty Limited
  - ▶ Director of Capgemini Hong Kong Ltd
  - ▶ Director of Capgemini Asia Pacific Pte Limited
  - ▶ Director of Capgemini Mexico, S. DE R.L DE C.V
  - ▶ Director of Capgemini (Hangzhou) Co. Ltd (since April 2020)
  - ▶ Director of Solcen Technologies Private Limited (since October 2020)
-

**ANNE-SOPHIE DE LA BIGNE**



**Independent members of the Supervisory Board**

**Member of the Compensation and Appointments Committee**  
**Member of the Corporate Social Responsibility Committee<sup>(1)</sup>**

**Nationality:** French

**Born in 1960**

**Business address:**

Airbus  
36, avenue Raymond Poincaré  
75116 Paris  
France

**First elected:** May 17, 2013

**Current term expires:** 2024 (Annual Shareholders Meeting called to approve 2023 financial statements)

**Number of shares held at December 31, 2020:** 903

**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Since 2008, Anne-Sophie de La Bigne has been Vice President in charge of civil affairs in the Public Affairs Division, France, at Airbus Group<sup>(2)</sup>.

Anne-Sophie de La Bigne began her career in 1983 as a financial controller with the Matra group before joining the Strategy & Business Development Department of the Lagardère group, where she worked from 1985 to 1999.

She subsequently became Head of the Strategic Analysis Department at Aerospatiale Matra/EADS, a position she held until 2001.

Between 2001 and 2006, she served as Vice President, Strategy and European Affairs, at Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS).

From 2006 to 2007, she was responsible for international corporate relations in the EADS' Public Affairs Division.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ Member of the Board of Directors of SIAE S.A.
- ▶ Member of the Board of Directors of APAVE and member of the Audit Committee

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS**

**2016-2017**

No other directorships

**2018-2019**

- ▶ Member of the Board of Directors of SIAE S.A.

**2020**

- ▶ Member of the Board of Directors of SIAE S.A.
- ▶ Member of the Board of Directors of APAVE and member of the Audit Committee (*since June 2020*)

(1) *Since June 2020*

(2) *Listed company.*



**PATRICK DE LA  
CHEVARDIÈRE**

**Independent member**

**Chairman of the Audit Committee<sup>(1)</sup>**

**Nationality:** French

**Born in 1957**

**Business address:**

Michelin  
27, cours de l'Île-Seguin  
92100 Boulogne-Billancourt  
France

**First elected:** June 23, 2020

**Current term expires:** 2024 (Annual Shareholders Meeting called to approve 2023 financial statements)

**Number of shares held at December 31, 2020:** 400

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**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Patrick de La Chevardière is currently a director of Schlumberger<sup>(2)</sup> and until July 2019 was the Group's Chief Financial Officer and a member of the Executive Committee of the Total group<sup>(2)</sup>, where he spent his entire career.

Patrick de La Chevardière is a graduate of École Centrale. He began his career as a drilling engineer in the Exploration and Production Division (1982-1989), before joining the Finance Department (1989-1995). He subsequently served as head of the Operations and Subsidiaries Division (1995-2000), Asia Director in the Refining and Marketing Division (2000-2003), Deputy Chief Financial Officer (2003-2008) and member of the Management Committee (2005), and Chief Financial Officer and member of the Executive Committee (from 2008).

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

▶ Director of Schlumberger<sup>(2)</sup>

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS**

**2016-2018**

None

**2019-2020**

▶ Director of Schlumberger<sup>(2)</sup>

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(1) Since June 2020.

(2) Listed company.



**JEAN-CHRISTOPHE  
LAOURDE**

**Non-independent member of the  
Supervisory Board representing  
employees (non-executive)**

**Nationality:** French

**Born in 1975**

**Business address:**

Compagnie Générale des Établissements Michelin  
23, place des Carmes-Déchaux  
63000 Clermont-Ferrand  
France

**First elected:** December 14, 2020

**Current term expires:** 2024 (Annual Shareholders Meeting called  
to approve 2023 financial statements)

**Number of shares held at December 31, 2020:** 81

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**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Jean-Christophe Laourde is an employee of Manufacture Française des Pneumatiques Michelin, where he is Distribution Program Manager, B2C for the Southern Europe Region.

He began his career with the Michelin Group in 1998 and held a variety of positions in sales in France, before becoming Forecast Manager for Supply Chain Europe. He has also held positions in Distribution Development Management for France-Benelux.

In addition, he served as the central union representative for the CFE-CGC at Michelin in France between 2016 and 2020.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

None

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS  
2016-2020**

None

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**THIERRY LE HÉNAFF**

**Independent member  
of the Supervisory Board  
Senior Independent Member  
of the Supervisory Board<sup>(1)</sup>  
Member of the Audit Committee**

**Nationality:** French  
**Born in 1963**

**Business address:**

Arkema  
420, rue d'Estienne-d'Orves  
92700 Colombes  
France

**First elected:** May 18, 2018

**Current term expires:** 2022 (Annual Shareholders Meeting called to approve 2021 financial statements)

**Number of shares held at December 31, 2020:** 400

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**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Thierry Le Hénaff is currently Chairman and Chief Executive Officer of Arkema<sup>(2)</sup>

After starting his career with Peat Marwick Consultants, in 1992 he joined Bostik, Total's Adhesives Division, where he held a number of operational positions in France and worldwide. In July 2001, he was appointed Chairman and Chief Executive Officer of Bostik Findley, the new entity resulting from the merger of Total's and Elf Atochem's Adhesives divisions. On January 1, 2003, he joined Atofina's Executive Committee, with responsibility for three divisions (Agrochemicals, Fertilizers and Thiochemicals) as well as three corporate departments. Then, in 2004, he joined the Total group's Executive Committee. He was named Chairman and Chief Executive Officer of Arkema on March 6, 2006. He has sat on the Board of Directors of the École Polytechnique Foundation since 2016.

Thierry Le Hénaff holds engineering degrees from École Polytechnique and École Nationale des Ponts et Chaussées, and a Master's degree in Industrial Management from Stanford University in the United States. He holds the titles of Chevalier de l'Ordre national du mérite and Chevalier de l'Ordre national de la Légion d'honneur.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ Chairman and Chief Executive Officer of Arkema<sup>(2)</sup>
- ▶ Chairman of the Board of Directors of Arkema France

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS**

**2016**

- ▶ Chairman and Chief Executive Officer of Arkema<sup>(2)</sup>
- ▶ Chairman of the Board of Directors of Arkema France
- ▶ Director of Eramet<sup>(2)</sup>

**2017-2020**

- ▶ Chairman and Chief Executive Officer of Arkema<sup>(2)</sup>
- ▶ Chairman of the Board of Directors of Arkema France

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(1) Since June 2020.

(2) Listed company.

**MONIQUE LEROUX**

**Independent member  
of the Supervisory Board  
Member of the Audit Committee  
Chair of the Corporate Social  
Responsibility Committee<sup>(1)</sup>**

**Nationality:** Canadian  
**Born in 1954**

**Business address:**

Fiera Capital  
1981 McGill College  
Montréal (Québec) - H3A 0H5  
Canada

**First elected:** October 1, 2015

**Current term expires:** 2022 (Annual Shareholders Meeting called to approve 2021 financial statements)

**Number of shares held at December 31, 2020:** 1,000

**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Companion of the Canadian Business Hall of Fame and Investment Industry Hall of Fame, Monique Leroux is a company director. She is Vice-Chair of Gestion Fiera Inc. and a member of the Boards of Directors of Michelin (ML-France)<sup>(2)</sup>, Bell (BCE)<sup>(2)</sup>, S&P Global (SPGI)<sup>(2)</sup>, Couche-Tard (ATD)<sup>(2)</sup> and Lallemand Inc. (a privately-owned company). She is also Chair of Michelin's CSR Committee and Bell's Governance Committee. She contributes to these Boards and committees her wide-ranging experience, acquired for example as a partner of EY (Canada) and as Chair of the Board and Chief Executive Officer of Mouvement Desjardins from 2008 to 2016.

In May 2020, she was appointed Chair of the National Industrial Strategy Board by Canada's Minister of Innovation, Science and Industry. From 2016 to 2020, Monique Leroux served as Chair of the Board of Directors of Investissement Québec. She is also Vice-Chair of the Board of the Montreal Symphony Orchestra.

Ms. Leroux is a member of the Order of Canada, an Officer of the Ordre national du Québec, a Chevalier de la Légion d'honneur (France) and a recipient of a Woodrow Wilson Award (United States). She has been inducted as a Fellow of the Canadian Order of Certified Public Accountants and Fellow of the Canadian Institute of Corporate Directors, and has been awarded honorary doctorates from eight Canadian universities in recognition of her contribution to the business sector and also to the community.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ Member of the Board of Directors of Alimentation Couche-Tard<sup>(2)</sup>
- ▶ Member of the Board of Directors of Bell/BCE<sup>(2)</sup>
- ▶ Member of the Board of Directors of S&P Global<sup>(2)</sup>
- ▶ Member of the Board of Directors of Lallemand (privately owned company)
- ▶ Strategic Advisor and member of the Strategic development committee of Fiera Capital<sup>(2)</sup>
- ▶ Vice-Chair of the Management Board of Fiera Inc. (privately owned company)
- ▶ Member of the Board of Directors of the Montreal Symphony Orchestra (non-profit organization)
- ▶ Chair of the National Industrial Strategy Board (Canadian public consultation body)
- ▶ Member of the Board of Directors of Université de Sherbrooke

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS****2016**

- ▶ Chair of the Board, President and Chief Executive Officer of Mouvement des Caisses Desjardins
- ▶ Chief Executive Officer of Desjardins Sécurité Financière
- ▶ Chief Executive Officer of Desjardins Groupe d'Assurances Générales
- ▶ Chair of the Board of Directors of Investissement Québec
- ▶ Member of the Executive Committee and Director of the European Association of Cooperative Banks
- ▶ Member of the Board of Directors of Crédit Industriel et Commercial (CIC)
- ▶ Member of the Board of Directors of the Rideau Hall Foundation
- ▶ President of the International Cooperative Alliance (ICA)
- ▶ Member of the Board of Directors of Alimentation Couche-Tard<sup>(2)</sup>
- ▶ Member of the Board of Directors of Bell/BCE<sup>(2)</sup> (since April 2016)
- ▶ Member of the Board of Directors of S&P Global<sup>(2)</sup> (since October 2016)

**2017**

- ▶ Chair of the Board of Directors of Investissement Québec
- ▶ Member of the Executive Committee and Director of the European Association of Cooperative Banks
- ▶ Member of the Board of Directors of Crédit Industriel et Commercial (CIC) (until May 2017)
- ▶ Member of the Board of Directors of the Rideau Hall Foundation
- ▶ President of the International Cooperative Alliance (ICA) (until November 2017)
- ▶ Member of the Board of Directors of Alimentation Couche-Tard<sup>(2)</sup>
- ▶ Member of the Board of Directors of Bell/BCE<sup>(2)</sup>
- ▶ Member of the Board of Directors of S&P Global<sup>(2)</sup>
- ▶ Member of the Board of Lallemand (privately owned company) (since June 2017)
- ▶ Strategic Advisor, Fiera Capital<sup>(2)</sup> (since June 2017)

(1) Since June 2020.

(2) Listed company.



## **MONIQUE LEROUX (CONTINUATION)**

### **2018**

- ▶ Chair of the Board of Directors of Investissement Québec
- ▶ Member of the Board of Directors of Alimentation Couche-Tard<sup>(2)</sup>
- ▶ Member of the Board of Directors of Bell/BCE<sup>(2)</sup>
- ▶ Member of the Board of Directors of S&P Global<sup>(2)</sup>
- ▶ Member of the Board of Directors of Lallemand (privately owned company)
- ▶ Strategic Advisor, Fiera Capital<sup>(2)</sup>
- ▶ Vice-Chair of the Fiera Inc. Management Board
- ▶ Member of the Executive Committee and Director of the European Association of Cooperative Banks
- ▶ Member of the Board of Directors of the Rideau Hall Foundation

### **2019**

- ▶ Chair of the Board of Directors of Investissement Québec
- ▶ Member of the Board of Directors of Alimentation Couche-Tard<sup>(2)</sup>
- ▶ Member of the Board of Directors of Bell/BCE<sup>(2)</sup>
- ▶ Member of the Board of Directors of S&P Global<sup>(2)</sup>
- ▶ Member of the Board of Directors of Lallemand (privately owned company)
- ▶ Strategic Advisor, Fiera Capital<sup>(2)</sup>
- ▶ Vice-Chair of the Management Board of Fiera Inc. (privately owned company)
- ▶ Member of the Board of Directors of the Rideau Hall Foundation (non-profit organization)
- ▶ Member of the Board of Directors of the Montreal Symphony Orchestra (non-profit organization)

### **2020**

- ▶ Chair of the Board of Directors of Investissement Québec (*until July 2020*)
- ▶ Member of the Board of Directors of Alimentation Couche-Tard<sup>(2)</sup>
- ▶ Member of the Board of Directors of Bell/BCE<sup>(2)</sup>
- ▶ Member of the Board of Directors of S&P Global<sup>(2)</sup>
- ▶ Member of the Board of Directors of Lallemand (privately owned company)
- ▶ Strategic Advisor, Fiera Capital<sup>(2)</sup>
- ▶ Vice-Chair of the Management Board of Fiera Inc. (privately owned company)
- ▶ Member of the Board of Directors of the Rideau Hall Foundation (non-profit organization) (*until May 2020*)
- ▶ Member of the Board of Directors of the Montreal Symphony Orchestra (non-profit organization)
- ▶ Member of the Board of Directors of Université de Sherbrooke (*since June 2020*)
- ▶ Chair of the National Industrial Strategy Board (Canadian public consultation body) (*since May 2020*)

(1) *Since June 2020.*

(2) *Listed company.*



**CYRILLE POUGHON**

**Non-independent (non-executive) member<sup>(1)</sup>**

**Member of the Audit Committee<sup>(1)</sup>**

**Nationality:** French

**Born in 1975**

**Business address:**

Compagnie Générale des Établissements Michelin  
 23, Place des Carmes-Déchaux  
 63000 Clermont-Ferrand  
 France

**First elected:** May 16, 2014

**Current term expires:** 2022 (Annual Shareholders Meeting called to approve 2021 financial statements)<sup>(2)</sup>

**Number of shares held at December 31, 2020:** 430

**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Cyrille Poughon is currently France-Benelux Retail Market sales office manager, after previously serving as the Group’s Quality of Worklife Manager and later Safety Program Leader at corporate headquarters. He began his career with the Michelin Group in 1996 and has held a variety of positions in sales and logistics. He served as Secretary of Michelin’s European Works Council until 2014. In 2015, he followed the “Certified Corporate Director” training program organized by Sciences-Po and Institut Français des Administrateurs.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

None

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS**

**2016-2020**

None

(1) Until he stepped down from the Board in October 2020.

(2) Theoretical expiry date (stepped down in October 2020).



**DELPHINE ROUSSY**

**Non-independent member of the Supervisory Board representing employees (non-executive)**

**Nationality:** French

**Born in 1982**

**Business address:**

Compagnie Générale des Établissements Michelin  
23, Place des Carmes-Déchaux  
63000 Clermont-Ferrand  
France

**First elected:** December 14, 2020

**Current term expires:** 2024 (Annual Shareholders Meeting called to approve 2023 financial statements)

**Number of shares held at December 31, 2020:** 10

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**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Delphine Roussy is an employee of Manufacture Française des Pneumatiques Michelin, where she is Head of the Systems & Processes Division patents team within the Legal Affairs/Intellectual Property Department.

She is a graduate of Supélec and the Georgia Institute of Technology in Atlanta. In 2011, she joined the Michelin Group after having had several positions in the field of intellectual property.

She was a member of the CFDT trade union's advisory delegation to the Regional Economic, Social and Environmental Council (CESER) for the Auvergne-Rhône-Alpes region from 2018 to 2020 and represented the CFDT within the Michelin organization in various capacities (employee representative, member of the Committee on Health, Safety & Working Conditions, trade union representative) between 2014 and 2020.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

None

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS**

**2016-2020**

None

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**JEAN-MICHEL SEVERINO**

**Independent member**  
**Member of the Corporate Social Responsibility (CSR) Committee**  
**Nationality:** French  
**Born in 1957**

**Business address:**  
Investisseurs et Partenaires  
9, rue Notre Dame des Victoires  
75002 Paris  
France

**First elected:** November 12, 2020  
**Current term expires:** 2022 (Annual Shareholders Meeting called to approve 2021 financial statements)  
**Number of shares held at January 20, 2021:** 400 shares

**BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE**

Jean-Michel Severino is a former student of École Nationale d'Administration. He graduated from ESCP Business School and Institut d'Études Politiques in Paris, and has a master's degree in economics and a bachelor's in law. He is a member of the General Inspectorate of Finance and is a development director at the French Ministry of Cooperation and Development, Vice-President East Asia at the World Bank and Chief Executive Officer at the French Development Agency.

Since 2011, he has been CEO of Investisseurs et Partenaires (I&P), a fund management team specializing in financing for African SMEs.

He is a director and Chairman of the Audit Committee at Danone<sup>(1)</sup>, a director and member of the Audit Committee at Orange<sup>(1)</sup> and Chairman of the Board of Directors at Ecobank International (EBI SA).

He is also a Senior Fellow at the Foundation for Studies and Research on International Development and a member of the French Academy of Technologies.

**DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2020**

- ▶ Director and member of the Audit Committee of Orange SA<sup>(1)</sup>
- ▶ Director and member of the Audit Committee of Danone SA<sup>(1)</sup>
- ▶ Chairman of the Board of Directors of EBI SA
- ▶ Chief Executive Officer of Investisseurs et Partenaires (I&P)

**OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS**

**2016**

- ▶ Director and member of the Audit Committee of Orange SA<sup>(1)</sup>
- ▶ Director and member of the Audit Committee of Danone SA<sup>(1)</sup>
- ▶ Chairman of the Board of Directors of EBI SA
- ▶ Chief Executive Officer of Investisseurs et Partenaires (I&P)

**2017**

- ▶ Director and member of the Audit Committee of Orange SA<sup>(1)</sup>
- ▶ Director and member of the Audit Committee of Danone SA<sup>(1)</sup>
- ▶ Chairman of the Board of Directors of EBI SA
- ▶ Chief Executive Officer of Investisseurs et Partenaires (I&P)

**2018**

- ▶ Director and member of the Audit Committee of Orange SA<sup>(1)</sup>
- ▶ Director and member of the Audit Committee of Danone SA<sup>(1)</sup>
- ▶ Chairman of the Board of Directors of EBI SA
- ▶ Chief Executive Officer of Investisseurs et Partenaires (I&P)

**2019**

- ▶ Director and member of the Audit Committee of Orange SA<sup>(1)</sup>
- ▶ Director and member of the Audit Committee of Danone SA<sup>(1)</sup>
- ▶ Chairman of the Board of Directors of EBI SA
- ▶ Chief Executive Officer of Investisseurs et Partenaires (I&P)

**2020**

- ▶ Director and member of the Audit Committee of Orange SA<sup>(1)</sup>
- ▶ Director and member of the Audit Committee of Danone SA<sup>(1)</sup>
- ▶ Chairman of the Board of Directors of EBI SA
- ▶ Chief Executive Officer of Investisseurs et Partenaires (I&P)

(1) Listed company.

### 3.1.4 INTERACTIONS BETWEEN THE VARIOUS GOVERNANCE STRUCTURES

The shared objective of all members of the Company's governance, i.e., the non-Managing General Partner (SAGES), the Managers and the Supervisory Board, is to ensure harmonious and efficient interactions in the interest of Group and its shareholders. This implies that tasks and responsibilities

are distributed among members in a manner complying with the Company's Bylaws and the recommendations in the AFEP/MEDEF Code as applicable to partnerships limited by shares. It is in this vein that the participants in the governance system agreed upon the following:

#### Succession process

In accordance with the Company's Bylaws, each Manager is appointed for an initial term of four years by the General Shareholders Meeting on the proposal of the Non-Managing General Partner (SAGES), made after consulting the Supervisory Board. Their appointment is subsequently renewable by decision of SAGES, with the Supervisory Board's agreement.

- ▶ The Managing Partner succession process is led by SAGES, which formally consults the Supervisory Board concerning its proposals. A candidate selection process is submitted by SAGES to the Managing Chairman and Managing General Partner and to the Supervisory Board, presenting the different selection phases, the selection criteria and an overview of the various internal and external candidates.

- ▶ The Supervisory Board, which oversees the work of the Compensation and Appointments Committee in reviewing the Executive Committee succession plans drawn up by the Managers, presents the results of the review to SAGES between twelve and eighteen months before the start of the process and ensures that the plans cover diverse profiles.
- ▶ SAGES, the Managing Chairman and Managing General Partner and the Supervisory Board agree on the selection criteria for a future Manager and a recruitment firm is appointed by SAGES, from a list drawn up by mutual agreement, to support each step of the process.

#### Compensation process

- ▶ Compensation policy:
  - at the start of each financial year, the non-Managing General Partner and the Managing Chairman and General Partner formalize, in an agreement, the distribution between them of a share of the Company's annual profit which is reserved to them as determined on the basis defined in the Company's Bylaws (the "Profit Share"). This agreement determines the ceilings as a percentage of the directors' fees, which may be allocated to the Managing General Partner as part of his variable compensation for this financial year, after consultation with the Supervisory Board;
  - the Compensation and Appointments Committee analyzes the proposals of the Managing Chairman and General Partner concerning the objectives and criteria to be achieved, and proposes to the Supervisory Board the terms and conditions of all the components of the compensation of the Managing Partners, including the criteria to be fulfilled and the objectives to be achieved (taking into account the conditions of remuneration and employment of Michelin employees, CAC40 practices and benchmarks);
  - the Supervisory Board deliberates on the methods to be applied to the variable compensation (annual and multi-annual) of the Managing General partners, after validation of the validity of the objectives presented by the Compensation and Appointments Committee, then inform the non-Managing General Partner;
  - the General Partners decide on the compensation of the Managers to be allocated taking into account the performance criteria to achieve and associated objectives to be fulfilled;
  - the corresponding elements of compensation are submitted to the vote of the Ordinary Shareholders Meeting in application and under the conditions of the applicable regulations.

- ▶ Performance assessment:
  - at each year-end, the Compensation and Appointments Committee reviews the results for the annual and multi-annual performance criteria compared to the objectives applicable to the Managing General Partner(s) and issues a recommendation to the Supervisory Board;
  - the Supervisory Board confirms the Compensation and Appointments Committee's performance assessment and shares this assessment with SAGES;
  - the General Partners approve the annual and multi-annual variable compensation to be paid to the Managers based on the Supervisory Board's assessment of the performance criteria and objectives;
  - the corresponding components of compensation are put to the vote of the Ordinary Shareholders Meeting, in accordance with the applicable rules and regulations.

In addition, the General Manager(s) is/are awarded compensation determined each year according to the same process.

### 3.1.5 STATEMENTS

The Managers and the members of the Supervisory Board do not have any close family ties.

To the best of the Company's knowledge, neither Michelin's Managers nor any Supervisory Board member has, in the past five years, been (i) convicted of fraud, (ii) associated with a bankruptcy, receivership or liquidation, (iii) the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

No Supervisory Board member and neither of Michelin's Managers has a service contract with the Company or any of its subsidiaries.

There are no:

- ▶ arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which they were selected as a Manager or as a member of the Supervisory Board;
- ▶ conflicts of interest between the duties to the Company of the Managers and the Supervisory Board members and their private interests and/or other duties;
- ▶ restrictions accepted by these persons on the disposal of their Michelin shares within a certain period of time, except for those resulting from market abuse regulations and the specific rules applicable to the Managers.

## 3.2 SUPERVISORY BOARD PRACTICES – ACTIVITIES IN 2020

### 3.2.1 GENERAL ACTIVITIES

In addition to the scheduled meetings, the Board met twice in March 2020 to review the organizational and other measures decided by the Managers to deal with the Covid-19 crisis and its consequences. A further two unscheduled meetings were held in the fourth quarter to discuss changes in the membership of the Supervisory Board and its Committees.

The issues examined by the Supervisory Board – based on presentations by the Managers or by members of the entities concerned – were as follows:

- ▶ Update on the Group's business and financial position:
  - quarterly financial information, interim and annual results, scorecards, corresponding press releases, recommended dividend;
  - internal control and risk management;
  - integration of businesses acquired in recent years and related synergies;
  - acquisitions in progress (several meetings);
  - changes in the membership of the Group Executive Committee.
  - review of Group internal communications.
- ▶ Strategic overview:
  - strategy seminar (several meetings): business review, map of current and planned transformations, acquisition projections, financial equation, commitment campaign;
  - industrial and Digital Manufacturing strategy;
  - High-Tech Materials and Medical Sector strategies.

- ▶ Managers' compensation:
  - results of the performance criteria used to determine the Managers' variable compensation for 2019;
  - performance criteria to be used to determine variable compensation for 2020 and performance share plan criteria;
  - Group compensation policies.
- ▶ Membership and practices of the Supervisory Board and its Committees:
  - Supervisory Board Chairman succession plan, revised membership of the Committees, creation of a Corporate Social Responsibility (CSR) Committee;
  - re-elections and candidates for election to the Supervisory Board; induction of new Supervisory Board members representing employees;
  - Supervisory Board members' independence;
  - external assessment of the Board's practices;
  - preparation of the Corporate Governance Report and the Annual Shareholders Meeting.
- ▶ reports of the Audit Committee, Compensation and Appointments Committee and CSR Committee.

Part of each Supervisory Board meeting took place behind closed doors, without the Managers being present.

In addition, the independent members of the Board held an "Executive Session".

The Supervisory Board wanted to continue the practice initiated in 2015 whereby the member representing employees acts as a neutral observer of the Group's social dialogue processes in order to make an informed contribution to the Board's discussions.

However, due to the Covid-19 crisis and resulting travel restrictions, Cyrille Poughon, Supervisory Board member representing employees until October 2020, was unable to fulfill this role in 2020.

### 3.2.2 SUPERVISORY BOARD MEMBERS' ATTENDANCE RATES

The Supervisory Board met nine times in 2020 – on February 7, March 17, March 31, April 29, June 23, July 24, October 6, November 12, and December 14 and 15.

Four of these meetings lasted a full day.

The overall attendance rate at meetings of the Supervisory Board and its Committees (excluding meetings not scheduled at the start of the year) was 100%.

The attendance rates of the individual Board members are presented in the table below:

Supervisory Board members	Participation at meetings held in 2020 <sup>(1)</sup>			
	Supervisory Board (5 meetings) <sup>(1)</sup>	Audit Committee (4 meetings) <sup>(2)</sup>	Compensation and Appointments Committee (3 meetings)	Corporate Social Responsibility Committee (1 meeting)
Olivier Bazil <sup>(3)</sup>	2/2	2/2	N/A	N/A
Barbara Dalibard <sup>(4)</sup>	5/5	2/2	2/2	N/A
Anne-Sophie de La Bigne	5/5	N/A	3/3	1/1
Patrick de La Chevardière <sup>(5)</sup>	3/3	2/2	N/A	N/A
Jean-Pierre Duprieu <sup>(6)</sup>	5/5	2/2	1/1	N/A
Aruna Jayanthi	5/5	N/A	3/3	N/A
Jean-Christophe Laourde <sup>(7)</sup>	1/1	N/A	N/A	N/A
Thierry Le Hénaff <sup>(8)</sup>	5/5	4/4	N/A	N/A
Monique Leroux	5/5	4/4	N/A	1/1
Cyrille Poughon	4/4	3/3	N/A	N/A
Michel Rollier <sup>(9)</sup>	5/5	N/A	2/2	N/A
Delphine Roussy <sup>(10)</sup>	1/1	N/A	N/A	N/A
Jean-Michel Severino <sup>(11)</sup>	1/1	N/A	N/A	1/1

(1) Excluding unscheduled meetings. All the members attended the four unscheduled meetings held in 2020.

(2) Excluding unscheduled meetings. All the members attended the two unscheduled meetings held in 2020.

(3) Olivier Bazil attended all the meetings of the Supervisory Board and the Audit Committee up to June 2020 when he stepped down from the Supervisory Board.

(4) Barbara Dalibard attended all the meetings of the Supervisory Board as Senior Independent Member up to June 2020, when she stopped being Senior Independent Member, and all the meetings of the Compensation and Appointments Committee up to June 2020, when she stopped being a member of this Committee. She also attended all the meetings of the Audit Committee from June 2020, when she was appointed to this Committee.

(5) Patrick de La Chevardière attended all the meetings of the Supervisory Board from June 2020, when he was elected to the Board, and all the meetings of the Audit Committee from June 2020 following his appointment as Chairman of this Committee.

(6) Jean-Pierre Duprieu attended all the meetings of the Compensation and Appointments Committee as Member and Chairman following his appointment to the Committee in June 2020, and all the meetings of the Audit Committee up to June 2020, when he stopped being a member of this Committee.

(7) Jean-Christophe Laourde attended all the meetings of the Supervisory Board from December 2020, when he was appointed to the Supervisory Board.

(8) Thierry Le Hénaff attended all the meetings of the Supervisory Board as Senior Independent Member from June 2020.

(9) Michel Rollier attended all the meetings of the Compensation and Appointments Committee up to June 2020 when he stopped being a member of this Committee.

(10) Delphine Roussy attended all the meetings of the Supervisory Board from December 2020, when she was appointed to the Supervisory Board.

(11) Jean-Michel Severino attended all the meetings of the Supervisory Board from December 2020, following his appointment to the Board in November 2020 to replace Cyrille Poughon.

### 3.2.3 TRAINING FOR SUPERVISORY BOARD MEMBERS

#### All Supervisory Board members

As part of its training policy for Supervisory Board members, during the year the Company once again organized a special training program on the Group's operations. The program gave all of the Supervisory Board members an opportunity to acquire or refresh their hands-on insight into how Michelin's various businesses are run.

Due to the Covid-19 crisis and the resulting travel restrictions, the Supervisory Board meetings and visits to Group sites outside France had to be canceled.

The visits were replaced by other events organized in France. The Supervisory Board members visited the AddUp site in Ladoux (Puy-de-Dôme). AddUp is a metal 3D printing joint venture with the Fives Group offering PBF and DED machines, parts production service and support solutions. The Board members were given an overview of the metal 3D printing market, the related technologies and processes, and the company's ambitious growth targets for the coming years.

The Supervisory Board also visited the Hall 32 public-private partnership in Clermont-Ferrand (Puy-de-Dôme). Michelin leads this partnership which offers a new approach to job training with the aim of creating an Excellence in Apprenticeship program for these 3D printing businesses, which require a highly skilled labor force.

### Members representing employees

The new Supervisory Board members representing employees, who took up their seats on December 14, 2020, were offered a combination of internal and external training to enable them to participate actively in the Board's work.

Their internal training includes specific presentations by the directors of the Group entities, including the Managers and members of the Group Executive Committee, and by the Chairman and Secretary of the Supervisory Board, that are

These topic-specific presentations, along with those made during the year at Supervisory Board meetings by members of executive management and their teams, are welcomed by Supervisory Board members as a means of enhancing their understanding of all the challenges facing the Michelin Group.

specially designed to provide the new members with a good understanding of the Group's businesses and its environment.

They have also begun participating in several external training programs selected based on their specific needs as new Supervisory Board members. These programs cover various specific and general topics and are provided by leading training organizations.

The training process began immediately following their appointment and before they took up their seats on the Board.

## 3.2.4 PREPARING RECOMMENDATIONS FOR THE ELECTION OF NEW SUPERVISORY BOARD MEMBERS AND OTHER RESOLUTIONS TO BE PRESENTED AT THE 2021 ANNUAL SHAREHOLDERS MEETING

The Supervisory Board asked the Compensation and Appointments Committee to review the situation of members whose term was due to expire.

The Committee's procedures and recommendations are presented in the Supervisory Board's report on the resolutions to be submitted to the 2021 Annual Shareholders Meeting (see section 7.2 of this 2020 Universal Registration Document).

## 3.2.5 ACTIVITIES OF THE SENIOR INDEPENDENT SUPERVISORY BOARD MEMBER

Although, in a partnership limited by shares (*société en commandite par actions*), none of the Managers (who are equivalent to executive officers in a joint stock corporation) may also serve as Chairman of the Supervisory Board, the Board nevertheless decided in 2017 to appoint a Senior Independent Member.

This role, given to an independent Board member, mainly covers the following responsibilities specified in the Board's internal rules:

- ▶ organize executive sessions among the independent members;
- ▶ chair and lead the sessions;
- ▶ report on his or her activities to the Board at least once a year;
- ▶ meet with the Chairman of the Board to inform him or her of all or some of the views or wishes expressed by the independent members during executive sessions;
- ▶ propose the inclusion of additional items on the agenda of Supervisory Board meetings;
- ▶ call and chair Supervisory Board meetings and set the agenda if the Chairman of the Board is unable to perform this task;
- ▶ meet with the Managing Chairman to inform him of all or some of the views or wishes expressed by the independent members during executive sessions, after informing the Chairman of the Supervisory Board;

- ▶ receive information about any material comments on governance issues made by significant shareholders and participate in communications with shareholders alongside the Chairman of the Supervisory Board or the Managing Chairman.

The position of Senior Independent Member was assigned by the Supervisory Board:

- ▶ between 2017 and June 2020 to Barbara Dalibard, Chair of the Compensation and Appointments Committee (between 2015 and June 2020) and independent Board member (until May 2020);
- ▶ from July 2020, to Thierry Le Hénaff, independent Supervisory Board member since his election to the Board in 2018.

In 2020, the Senior Independent Member organized and chaired one executive session, held without any Managers (equivalent to executive officers) being present. The main issues discussed during this session were as follows:

- ▶ Group strategy;
- ▶ financial communications;
- ▶ topics suggested during Board meetings and the quality of Board discussions;
- ▶ risk management.

In application of the Supervisory Board's internal rules, during the first half of 2021, Thierry Le Hénaff will report to the Board on his activities during 2020.



In early 2020, Barbara Dalibard helped to prepare the process for the external assessment of the work of the Board and its Committees (see report on the results of this assessment in section 3.2.7).

In addition, Barbara Dalibard and Thierry Le Hénaff took the floor alongside the Chairman of the Supervisory Board and the Managers at the Michelin Governance Conference organized on December 7, 2020<sup>(1)</sup>.

### 3.2.6 REVIEW OF SUPERVISORY BOARD MEMBERS' INDEPENDENCE AND ANY CONFLICTS OF INTEREST

The Supervisory Board has chosen to refer to all the criteria listed in the AFEP/MEDEF Code to assess its members' independence and obtain assurance that a majority of the members are independent and without any vested interests (i.e., with no relationship of any kind whatsoever with the Company or its management which might risk coloring the member's judgment<sup>(2)</sup>).

The Supervisory Board's internal rules also explicitly stipulate that its members are required to inform the Supervisory Board of any potential or existing conflict of interest and are banned from taking part in the discussion and vote on the matters concerned.

In the first phase, the Compensation and Appointments Committee ensures that each Supervisory Board member has formally declared, in relation to the provisions and abstention obligations of the Board's internal rules, that:

- ▶ they have no close family ties with their fellow Supervisory Board members;
- ▶ they have not, in the past five years, been (i) convicted of fraud, (ii) associated with a bankruptcy, receivership or liquidation, (iii) the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer;
- ▶ they do not have a service contract with the Company or any of its subsidiaries;
- ▶ they have not been selected to serve as a Supervisory Board member pursuant to any arrangement or agreement with a principal shareholder, customer, supplier or other stakeholder;
- ▶ to the best of their knowledge, there are no restrictions on the disposal within a certain period of time of their Michelin shares, except for those resulting from insider dealing rules;
- ▶ to the best of their knowledge, there are no conflicts of interest between their obligations towards the Company in their capacity as Supervisory Board member and their personal interests and/or other obligations.

Where applicable, the Committee also checks any notifications given to the Board by its members.

In the second phase, to complete the earlier statements and observations, the Committee:

- ▶ checks that none of the Board members had been an auditor of the Company during the past five years;
- ▶ reviews the period served on the Supervisory Board by members since they were first elected, in particular for members who have served on the Board for 12 or more years;
- ▶ checks that no Board member has received any variable compensation in cash or shares or any other performance-based compensation from the Company or the Group.

In addition, the Committee examines whether any Board member:

- ▶ is or has been in the past five years an employee or executive officer of the Company, or an employee or executive officer of its parent or a company that the latter consolidates;
- ▶ is an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office for less than five years) is a director;
- ▶ is a customer, supplier, investment banker or commercial banker:
  - that is material to the Company or the Group, or
  - that depends on the Company or the Group for a significant part of its business.

In the third phase, the Committee reviews the situation of Supervisory Board members who may personally conduct significant amounts of business with the Company or be involved with undertakings that may maintain significant business relations with the Company.

In each case, the Committee starts by examining the nature of the Supervisory Board member's duties in the undertaking concerned, particularly whether they hold a non-executive position such as member of the Board of Directors or Supervisory Board, whether they are qualified as independent by that undertaking and whether they share any cross-directorships with an executive officer of the Company.

Where a Board member holds an executive or management position, the Committee examines the nature and scope of the member's duties and, if the undertaking is a material competitor, customer or supplier of the Company, assesses whether the position may give rise to a conflict of interest between that undertaking and the Company.

(1) For more information, visit the Group's website [www.michelin.com](http://www.michelin.com).

(2) When the Compensation and Appointments Committee assesses the independence of one of its members, that member does not take part in the Committee's discussion and analysis of his or her situation nor in the Supervisory Board's decision regarding his or her independence.

When considered necessary, the Committee then analyzes individual situations based on (i) the type of relationship that exists between the Company and the undertaking concerned and (ii) the amounts represented by financial transactions between the Company and the undertaking, applying different materiality thresholds depending on the type of relationship (revenues in relation to consolidated revenues, purchase volumes, etc.).

The Compensation and Appointments Committee conducted an independence review in early 2021. Its conclusions were presented to the Supervisory Board, which discussed and then adopted them. The review process can be summarized as follows:

The Committee examined the situation of **Anne-Sophie de La Bigne** in light of her position with Airbus as Vice President in charge of Civil Affairs in the Public Affairs Division France. The Committee noted that (i) Ms. de La Bigne does not hold an executive position at Airbus with responsibility for purchasing or selling products or services and (ii) her area of responsibility is limited to France.

The Committee nevertheless decided to examine the volume of business conducted between Michelin and Airbus, as some of the latter's subsidiaries purchase products and/or services from Michelin.

Due to the structure of the aerospace markets served by Michelin and the companies operating in these markets, the Committee examined the revenues earned by Michelin in 2020 from the sale of products and services not only to Airbus companies but also to these companies' customers that own or lease aircraft. The sales figure was then compared to Michelin's consolidated sales for 2020.

The comparison showed that the sales in question represented a very limited part of the Group's consolidated sales for the year.

Consequently, the Committee proposed considering that Anne-Sophie de La Bigne's indirect business relationship with Michelin by virtue of her position with Airbus was not material.

The Committee also examined the business relationship between Michelin and the Capgemini group, whose Asia-Pacific and Latin America regions have been headed by **Aruna Jayanthi** since 2018.

Transactions between the Capgemini group and Michelin represent only a very small proportion of Michelin's purchases, and their contribution to Capgemini's revenue is not material.

Consequently, the Committee proposed considering that Aruna Jayanthi's indirect business relationship with Michelin by virtue of her position with the Capgemini group was not material.

In addition, the Committee examined the business relationship between Michelin and Arkema, whose Chairman and Chief Executive Officer is **Thierry Le Hénaff**.

Transactions between Arkema and Michelin represent only a very small proportion of Michelin's purchases and their contribution to Arkema's revenue is not material.

The Committee also examined a possible conflict of interest situation that could result from the proximity of certain activities of Michelin's High-Tech Materials with Arkema's Specialty Materials business. Its assessment focused on Michelin's flexible elastomer composites and Arkema's adhesives, advanced materials and coating solutions.

After examining factors such as the businesses' respective characteristics, their maturity, their main scopes and target applications/markets, the Committee decided that these factors did not lead to the conclusion that Thierry Le Hénaff was permanently exposed to a material conflict of interests.

In any event, if information about these businesses that was considered sensitive for both groups was presented to the Supervisory Board, Thierry Le Hénaff would step aside during the communications, discussions and decisions concerned, in line with the Board's internal rules.

Consequently, the Committee proposed considering that Thierry Le Hénaff's indirect business relationship with Michelin by virtue of his position with Arkema does not have a material adverse effect on his independence and does not give rise to any material conflict of interests.

**Cyrille Poughon**, who was a member of the Supervisory Board until October 2020, is an employee of Manufacture Française des Pneumatiques Michelin, one of the Group's largest operating companies and its largest French subsidiary. Despite his independent mindset and conspicuous participation in Supervisory Board meetings, the Supervisory Board considered that Mr. Poughon could not be qualified as independent because of the implicit requirement for him, as a Michelin employee, to demonstrate loyalty to the Group.

**Delphine Roussy** and **Jean-Christophe Laourde**, Supervisory Board members representing employees since December 2020, are likewise employees of MFPM. The Supervisory Board considered that they could not be qualified as independent because of the implicit requirement for them, as Michelin employees, to demonstrate loyalty to the Group.

The Committee reviewed the situation of **Barbara Dalibard**, Chief Executive Officer of SITA, based on the independence criterion related to the period served on the Board.

The Committee noted Barbara Dalibard's independent mindset and conspicuous participation in the work of the Board and its Committees (as Chair of the Compensation and Appointments Committee from 2015 until June 2020, Senior Independent Supervisory Board Member from 2017 until June 2020 and member of the Audit Committee since July 2020). These qualities were the decisive factors in the unanimous decision by Board members to appoint her as Chair of the Supervisory Board when Michel Rollier steps down.

The Committee considered that since Barbara Dalibard had served on the Board for an uninterrupted period of twelve years as of end-May 2020, she could no longer be considered as independent for this reason alone.

The Compensation and Appointments Committee decided that, to avoid any ambiguity and in the Company's interests, the Chairman of the Supervisory Board, **Michel Rollier**, Chairman of the Supervisory Board of Somfy SA, should continue to be qualified as a non-independent member of the Supervisory Board, despite the fact that he stepped down from his executive position at Michelin more than five years ago (at the Shareholders Meeting of May 11, 2012).

Having reviewed the Compensation and Appointments Committee's analyses, the Supervisory Board ruled that all of its members – with the exception of the members representing employees (Delphine Roussy, Jean-Christophe Laourde and Cyrille Poughon), Michel Rollier and Barbara Dalibard – are independent based on the criteria in the AFEP/MEDEF Code.

These independent members represent just under 78% of total Supervisory Board members (excluding employee representatives), a significantly higher proportion than the 50% recommended in the AFEP/MEDEF Code, which states that half of the Board members of widely-held corporations without controlling shareholders should be independent.

### **3.2.7 ASSESSMENT OF THE SUPERVISORY BOARD'S PRACTICES**

During 2020, the Supervisory Board's performance was assessed by a specialized firm. The assessment was based on a series of one-on-one interviews with Supervisory Board members and the Managers, conducted by one of the firm's consultants.

The following matters were covered:

- ▶ Supervisory Board practices;
- ▶ Supervisory Board membership;
- ▶ experience and expertise represented on the Board;
- ▶ the Board's relations with the Managers, shareholders and other stakeholders;
- ▶ practices of the Committees of the Supervisory Board.

As is the case every year, an exchange of views and a discussion of Supervisory Board practices among its members was included on the agenda of the July 24, 2020 Supervisory Board meeting, based on the assessment presented by the external consultant.

The following points were noted:

- ▶ the size and membership of the Supervisory Board is conducive to frank, high quality discussions between the members and the management team;
- ▶ relations between the Supervisory Board and the Managers are good;
- ▶ the Chairman of the Supervisory Board facilitates relations with management;
- ▶ the creation of the role of Senior Independent Member has been a success;
- ▶ the Management succession plan was successfully implemented with the Non-Managing General Partner and the succession process for the Chairman of the Supervisory Board, the Chairs of the Committees and the Senior Independent Member went smoothly;
- ▶ the Committees work efficiently and are unanimously recognized as making a valuable contribution to the work of the Board;
- ▶ a CSR Committee was created during the year.

The assessment underscored the importance of:

- ▶ continuing to devote the same level of attention to discussing the Group's strategy;
- ▶ continuing to prepare the Managers' succession plan.

### 3.2.8 IMPLEMENTATION OF THE “APPLY OR EXPLAIN” RULE

In accordance with Article L. 22-10-10-4° of the French Commercial Code and paragraph 27.1 of the AFEP/MEDEF Code and the corresponding implementation guidance, the Supervisory Board considers that it complies with the recommendations of the AFEP/MEDEF Code, as adapted to the Company's structure as a French partnership limited by shares (S.C.A.), which was adopted at the time of its formation in 1863, except as explained below:

AFEP/MEDEF Code recommendation	Explanation
Material transactions outside the scope of the firm's stated strategy should be subject to prior approval by the Board of Directors (Recommendation 1.9, first bullet point)	<p>This recommendation in Article 1.9 of the AFEP/MEDEF Code (first bullet point) is not directly applicable because of the Company's legal form as a partnership limited by shares. With this type of partnership, the Managing General Partners have unlimited personal liability and their powers are completely separate from those of the Supervisory Board. With this type of partnership, the Managing General Partners have unlimited personal liability and their powers are completely separate from those of the Supervisory Board, with the result that the Supervisory Board has no legal authority to become involved in managing the Company.</p> <p>However, to (i) ensure that the Supervisory Board exercises effective oversight of the Company's management and (ii) adhere to the spirit of the AFEP/MEDEF recommendation, since 2011 the Company has amended its Bylaws<sup>(1)(2)</sup>, as well as the Supervisory Board's internal rules<sup>(1)</sup>.</p> <p>These internal rules state that the Supervisory Board is responsible for examining investment and external growth transactions, off-balance sheet commitments and asset disposals, and is required to issue a formal opinion in cases where the transactions are material for the Group due to their nature or associated risks. For this purpose, “material” means transactions representing at least €100 million, or at least €50 million in the case of external growth transactions. This means that the Supervisory Board is automatically consulted about all projects that are material for the Group. Moreover, as it expresses an opinion on such projects, it is clearly able to report to shareholders thereon if appropriate.</p> <p>This approach complies with the spirit and aims of the recommendation.</p>
Appointment to the Compensation Committee of a Director representing employees (Recommendation 18.1)	<p>The Company chose to recommend that employees should be represented on the Supervisory Board and an employee of a Group company – Cyrille Poughon – was elected to the Supervisory Board at the 2014 Annual Shareholders Meeting and remained on the Board until October 2020. However, the Compensation and Appointments Committee, which determines executive compensation, does not include any member representing employees.</p> <p>In accordance with the PACTE Act (Act No. 2019-486), at the Annual Shareholders Meeting of June 23, 2020, the Company proposed amending the Bylaws to provide for employees of Group companies to be represented on the Supervisory Board. Following adoption of the proposed resolution by the Annual Shareholders Meeting, two employees were appointed to the Supervisory Board. As explained in the 2019 Universal Registration Document (section 3.3.2 h), the membership of the Committees of the Board was reviewed by the members of the Board. Due to the need for the new members representing employees to acquire both an adequate understanding of the Group's businesses and the skills required to contribute effectively to the work of the Board and its Committees, the Board decided to postpone the appointment of the new members representing employees to the Compensation and Appointments Committee and the other Board Committees until they had completed their induction training<sup>(2)</sup>.</p>
Termination of employment contract in the event of becoming a corporate officer (Recommendation 22)	<p>Due to their status and specific responsibilities, under the long-standing compensation policy applied to Managing General Partners, these partners cease to be covered by any employment contract that may have existed between them and a Group company prior to becoming Managing General Partner. This rule applies even if they have acquired considerable seniority with the Group.</p> <p>In addition, Yves Chapot's mandate as General Manager justifies suspending his pre-existing employment contract with a Michelin Group company:</p> <ul style="list-style-type: none"> <li>▶ Yves Chapot is not the most senior executive officer (Manager); he reports to the Managing Chairman who, according to the Company's Bylaws, defines the Managers' areas of responsibility and any restrictions on their powers, as well as setting their annual objectives;</li> <li>▶ the position of General Manager is therefore similar to that of a Chief Operating Officer or a member of the Management Board of a joint stock corporation, who are not concerned by the AFEP/MEDEF Code's recommendation;</li> <li>▶ Yves Chapot has acquired considerable seniority, having worked for the Michelin Group without interruption for over 29 years (since 1992);</li> <li>▶ if Yves Chapot were to cease to be a Manager, any compensation for loss of office or non-compete indemnity due to him would be reduced or canceled if necessary so that the total amount payable – including the termination benefit in respect of his suspended employment contract – would not exceed his final two years' total compensation.</li> </ul>

(1) Available from the Group's website [www.michelin.com](http://www.michelin.com).

Article 17 of the Bylaws states that “(...) The Supervisory Board is jointly and regularly informed about the Company's situation and the key issues listed in the Supervisory Board's internal rules. The Supervisory Board reports to the Shareholders Meeting on the fulfillment of its duties (...)”.

(2) Information about the training provided to new Board members representing employees is provided in section 3.2.3.

### 3.2.9 AUDIT COMMITTEE\*



\* At December 31, 2020.

#### 3.2.9.1 Members<sup>(1)</sup>

The Audit Committee has at least three members appointed for their full term as Supervisory Board members. At least two-thirds of the members must be independent. Since July 2020<sup>(2)</sup>, the Audit Committee has comprised the following members:

- ▶ Patrick de la Chevardière, independent member and Committee Chairman;
- ▶ Barbara Dalibard, non-independent (non-executive) member;

- ▶ Thierry Le Hénaff, independent member;
- ▶ Monique Leroux, independent member;
- ▶ Cyrille Poughon, non-independent (non-executive)<sup>(3)</sup> member.

The qualifications and experience of the Audit Committee members at December 31, 2020 have given them a deep understanding of financial and accounting matters.

#### 3.2.9.2 Role and responsibilities

The role of the Audit Committee is described in its internal rules, available on the Group's website [www.michelin.com](http://www.michelin.com).

The Audit Committee assists the Supervisory Board in fulfilling its oversight role. It operates as a specialized committee tasked with addressing issues related to the preparation and control of accounting and financial information in accordance with Articles L. 823-19 and L. 823-20-4 of the French Commercial Code.

In 2020, the Chairman of the Audit Committee obtained assurance that the Committee's work in 2019 and 2020 enabled it to fulfill its remit as specified in French law and the AFEP/MEDEF Code.

The Audit Committee's rules of procedure are described in its internal rules.

In view of the distance they may have to travel to attend meetings and the other business commitments not only of the Supervisory Board and Audit Committee members but also of the members of Executive Management, the Audit Committee conducts its formal review of the financial statements half a day before they are examined by the Supervisory Board.

#### 3.2.9.3 Activities in 2020

The Audit Committee held four scheduled meetings in 2020 (on February 6, April 27, July 23 and December 14) and two unscheduled meetings (on September 29 and October 21). The attendance rate at these meetings was 100%.

The main purpose of the meetings held in 2020 was to review:

- ▶ The audited parent company financial statements for 2019, the parent company projections prepared in accordance with French law, and the audited consolidated financial statements for 2019, as presented by the Manager and Chief Financial Officer, the Deputy Chief Financial Officer and the Senior Vice President, Accounting. The Committee focused on reviewing the treatment of recently acquired businesses in the consolidated financial statements, key figures and non-recurring events in 2019. It noted that the audit of the accounts had gone smoothly. The Statutory Auditors reported to the Committee on their audit, noting that they would be issuing an unqualified opinion, without any emphasis of matter, on both the separate and consolidated financial statements. They also submitted their written report to the Audit Committee.

- ▶ The interim consolidated financial statements for the six months ended June 30, 2020 and the information on the parent company projections prepared in accordance with French law, as presented by the Manager and Chief Financial Officer, the Deputy Chief Financial Officer and the Senior Vice President, Accounting. The Committee performed a detailed review of the Group's results for the first half of 2020 and discussed with the Statutory Auditors the nature and conclusions of their work. The Statutory Auditors reported to the Committee on their limited review of the interim financial statements for the six months ended June 30, 2020. Their limited review report did not contain any qualifications or emphasis of matter.
- ▶ The financial information for the third quarter of 2020 and related financial press release, as presented by the Manager and Chief Financial Officer, the Deputy Chief Financial Officer and the Senior Vice President, Accounting.

(1) Biographical details and other information concerning the members of this Committee of the Supervisory Board are provided in section 3.1.3.4 of this 2020 Universal Registration Document.

(2) Between January 2020 and June 2020, its members were: Olivier Bazil, independent member and Committee Chairman; Jean-Pierre Dupriou, independent member; Thierry Le Hénaff, independent member; Monique Leroux, independent member; Cyrille Poughon, non-independent (non-executive) member.

(3) Until he stepped down from the Board in October 2020.

- ▶ Preparation of the 2020 accounts closing, as presented by the Manager and Chief Financial Officer, the Deputy Chief Financial Officer and the Senior Vice President, Accounting.
  - ▶ Risk management and internal control systems (including self-assessments, controls and the follow-up of action plans), presented by the Deputy Chief Financial Officer, the Senior Vice President, Audit, Quality, Internal Control and Risk Management, and the Head of Internal Control.
  - ▶ The internal audit plan and the audits carried out in 2020 (including the adjustments made to the plan in light of the Covid-19 crisis and changes in the structure of the internal auditors' activities), presented at the quarterly meetings by the Internal Audit Director.
- ▶ The Committee's work also covered the following areas:
    - review of information systems risk management, presented by the Information Systems Director;
    - management of financial risks and the financing of subsidiaries, presented by the Senior Vice President, Corporate Finance;
    - the anti-corruption system established in application of the Sapin II Act, presented by the Vice President, Legal Affairs;
    - the Group's legal organization and developments concerning tax risks, presented by the Deputy Chief Financial Officer, the Senior Vice President, Tax and Customs, the Vice President, Legal Affairs and the Company Law Director;
    - execution of the OPE business process management system program. The program director outlined the various phases of the program and its deployment status.

The Chairman of the Audit Committee reported to the Supervisory Board on the Committee's work on February 7, April 29, July 24, and December 14, 2020.

### 3.2.10 COMPENSATION AND APPOINTMENTS COMMITTEE



#### 3.2.10.1 Members<sup>(1)</sup>

The Compensation and Appointments Committee must comprise at least three members (including the Chair of the Committee) who fulfill the criteria for classification as independent throughout their term as members of the Supervisory Board.

Since July 2020<sup>(2)</sup>, the Compensation and Appointments Committee has comprised the following members:

- ▶ Jean-Pierre Duprieu, independent member and Committee Chairman;
- ▶ Aruna Jayanthi, independent member;
- ▶ Anne-Sophie de La Bigne, independent member.

#### 3.2.10.2 Role and responsibilities

The role of the Compensation and Appointments Committee, which is described in its internal rules available on the Group's website [www.michelin.com](http://www.michelin.com), includes the following:

- ▶ executive management appointments and compensation policy;
- ▶ talent management, diversities and inclusion policy;
- ▶ the policy concerning the appointment of Managers, including career and succession plans, developed jointly with the Non-Managing General Partner (SAGES)<sup>(4)</sup>;

As planned in 2019 (see section 3.3.2 h) of the 2019 Universal Registration Document), the Supervisory Board members reviewed the membership of all of the Board Committees. Due to the need for the new members representing employees to acquire both an adequate understanding of the Group's businesses and the skills required to contribute effectively to the work of the Board and its Committees, the Board decided to postpone the appointment of the new members representing employees to the Compensation and Appointments Committee and the other Board Committees until they had completed their induction training<sup>(3)</sup>.

- ▶ the compensation awarded to the Managers, the Chairman of the Supervisory Board and the other Supervisory Board members, with the Managers' compensation discussed with the non-Managing General Partner (SAGES)<sup>(4)</sup>;
- ▶ the membership of the Supervisory Board and its Committees, and the succession plan for the Chairman of the Supervisory Board.

The Compensation and Appointments Committee's rules of procedure are described in its internal rules.

(1) Biographical details and other information concerning the members of this Committee of the Supervisory Board are provided in section 3.1.3.4 of this 2020 Universal Registration Document.

(2) Between January 2020 and June 2020, its members were: Barbara Dalibard, independent member (until end-May 2020) and Chair of the Committee; Aruna Jayanthi, independent member; Anne-Sophie de La Bigne, independent member; Michel Rollier, non-independent (non-executive) member.

(3) For more information, see sections 3.2.3 and 3.2.8.

(4) See the detailed description in section 3.1.4 of this report.

### 3.2.10.3 Activities in 2020

The Compensation and Appointments Committee met three times in 2020 – on January 30, April 28 and October 23 – with a 100% attendance rate.

The Committee's work mainly consisted in reviewing the following issues:

- ▶ review of the corporate officers' compensation. In early 2020, the Committee analyzed and submitted to the Supervisory Board its conclusions about the achievement rates for the performance criteria used to determine the variable compensation due or awarded by the Company to the Managers and the Chairman of the Supervisory Board for 2019, so that the Board could submit its own conclusions to the General Partners (SAGES, Non-Managing General Partner, and Florent Menegaux, General Partner and Managing Chairman) for approval.

These compensation components were put to the vote at the Annual Shareholders Meeting of June 23, 2020 in the 8<sup>th</sup> to 11<sup>th</sup> resolutions, which were each adopted by a majority of over 95% of the votes cast.

Based on the Committee's recommendation, the Supervisory Board examined the compensation awarded to its Chairman and prepared and recommended the components of his compensation to be put to the vote at the Annual Shareholders Meeting of June 23, 2020. The corresponding resolution (12<sup>th</sup> resolution) was approved by a majority of 99.90% of the votes cast.

The Compensation and Appointments Committee also reviewed and proposed to the Supervisory Board the components of the Managers' 2020 variable compensation.

In early 2021, the Committee analyzed the various components of the Managers' compensation and noted the achievement rates for the applicable performance criteria. It then presented its conclusions and recommendations to the Supervisory Board.

- ▶ Review of Supervisory Board members' independence and any conflicts of interest. The Committee performed its annual review of the Supervisory Board members' independence, by examining in particular whether there were any business relationships between the members and Michelin that could be qualified as material<sup>(1)</sup>.
- ▶ Executive management succession plan. The Compensation and Appointments Committee of the Supervisory Board periodically reviews the succession plans and career plans of the Group's executive management team, Managers and current or potential future members of the Executive Committee, in order to ensure a smooth succession to these positions when the time comes or to deal with any crisis situation. The review is also designed to enable the Committee to express an opinion on proposed candidates to succeed Managers to be submitted for approval at the Annual Shareholders Meeting.

To the above ends, for several years now the Compensation and Appointments Committee, led by its successive chairs, and with the Senior Independent Supervisory Board member, has analyzed the performance appraisals of key executives prepared by management with the assistance of an independent firm of consultants. The Committee has held very instructive discussions with these consultants that have enabled it to appreciate the quality of their work.

- ▶ Talent management, diversities and inclusion. In 2020, the Compensation and Appointments Committee reviewed the changes in the membership of the Group Executive Committee, the talent management policy and the action plans to promote diversities and inclusion, not only at senior management level but also throughout the Group.
- ▶ Recommendations concerning the re-election of Supervisory Board members at the Annual Shareholders Meetings of June 23, 2020 and May 21, 2021. At the Supervisory Board's request, the Committee reviewed the proposed re-election of Supervisory Board members.

Assisted by external consultants, the Committee implemented the candidate selection process to replace Michel Rollier as a Supervisory Board member, giving preference to candidates with expertise in the automotive and sustainable mobility sector.

The Committee's work and its recommendations to the Supervisory Board are described in detail in section 7.2.1 of the 2019 Universal Registration Document for the re-elections/elections proposed at the Annual Shareholders Meeting of June 23, 2020 and in the Supervisory Board's report on the proposed resolutions (see section 7.2 of this Universal Registration Document) for the re-elections to be proposed at the Annual Shareholders Meeting of May 21, 2021.

- ▶ Variable compensation policy. As in prior years, the Committee reviewed the Group's variable compensation and performance share policies, as well as changes to these policies.

The successive chairs of the Committee reported to the Supervisory Board on the Committee's work on February 7, April 29 and December 14, 2020.

(1) See the detailed description in section 3.2.6 of this report.

### 3.2.11 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE



#### 3.2.11.1 Members<sup>(1)</sup>

Since its creation in the second half of 2020, the CSR Committee has comprised:

- ▶ Monique Leroux, independent member and Chair of the Committee;

- ▶ Anne-Sophie de La Bigne, independent member;
- ▶ Jean-Michel Severino, independent member.

#### 3.2.11.2 Role and responsibilities

The role of the CSR Committee is described in its internal rules, available on the Group's website [www.michelin.com](http://www.michelin.com).

The Committee's remit covers the various aspects of corporate social responsibility and it cooperates closely with the Compensation and Appointments Committee and the Audit Committee on cross-functional matters that are of interest to them.

The CSR Committee's rules of procedure are described in its internal rules.

#### 3.2.11.3 Activities in 2020

The Committee was created in the latter part of the year and held only one meeting, on November 18, with a 100% attendance rate.

The Committee's work mainly consisted in:

- ▶ designing its processes and organizing its work;
- ▶ reviewing certain sections of the Universal Registration Document and analyzing the CSR key performance indicators;
- ▶ reviewing non-financial reporting standards and new practices followed by some companies that now incorporate certain non-financial data in their financial statements;

- ▶ analyzing the Group's ESG ratings and considering ways to improve them;
- ▶ reviewing changes in the Industrial Michelin Environmental Performance (i-MEP) indicator, which replaces the Michelin Environmental Footprint (MEF) indicator (see detailed explanation in section 4. Methodology – Environmental indicators).

The Chair of the Committee reported to the Supervisory Board on the Committee's work on December 14, 2020.

## 3.3 MANAGEMENT AND SUPERVISORY BOARD COMPENSATION POLICIES FOR 2021

### 3.3.1 GENERAL PRINCIPLES

Since 2014, the compensation awarded to the Managers and the Chairman of the Supervisory Board has been submitted to the shareholders at the Annual Meeting.

In the same way as in 2020, in application of French Act No. 2019-486 dated May 22, 2019 (the "PACTE Act") and other legal and regulatory provisions in force in 2020, at the Annual Shareholders Meeting of May 21, 2021, the General Partners and, on the recommendation of its Compensation and Appointments Committee, the Supervisory Board will ask shareholders to approve the 2021 Compensation Policy applicable to (i) the Managers and (ii) the Supervisory Board.

The Compensation Policy applicable to the Managers and the Supervisory Board is prepared and revised in accordance with the relevant laws and regulations.

Article L. 22-10-76-I of the French Commercial Code stipulates that the Compensation Policy applicable to the Managers and the Supervisory Board must be compatible with the Company's corporate interests.

<sup>(1)</sup> Biographical details and other information concerning the members of this Committee of the Supervisory Board are provided in section 3.1.3.4 of this 2020 Universal Registration Document.



It must contribute to its marketing strategy as well as the long-term sustainability of the business. This Compensation Policy establishes a competitive framework aligned with the Group's strategy and business environment. The policy is designed to increase medium- and long-term performance and competitiveness and is therefore in the Group's best corporate interests, in accordance with the AFEP/MEDEF Code.

The policy contributes to the Company's marketing strategy by requiring the Group's performance to be factored into the calculation of variable compensation, in particular:

- ▶ the Managers' variable compensation (annual, long-term) represents the predominant part of their total compensation; and
- ▶ the amount they receive in variable compensation depends on the achievement of objectives related to the Group's main performance indicators, which also apply to the employees of Group companies.

The policy contributes to the Company's sustainability by requiring the Group's performance to be factored into the calculation of variable compensation, in particular:

- ▶ for each Manager:
  - the performance indicators applicable to their variable compensation (annual and long-term) focus on sustained performance in line with the Group's strategy;
  - part of their long-term variable compensation consists of performance shares that are subject to vesting conditions linked to the achievement of performance objectives over several years;
  - the performance shares received when the vesting conditions have been met may not be sold for as long as they serve as a Manager;
- ▶ for the Managing Chairman, the Compensation Policy takes into account his position as General Partner with unlimited joint and personal liability for the Company's debts by deducting his annual variable compensation from the amounts due to the General Partners out of the Company's profits (if any);
- ▶ for the members of the Supervisory Board, most of their compensation as Supervisory Board member and, if applicable, member of a Committee of the Board, is based on their attendance rate at Board and Committee meetings, which are scheduled at the start of the year.

In the decision-making process for the determination and revision of the Compensation Policy, the Company has chosen to take into account the compensation and employment conditions of employees of its main French subsidiary, Manufacture Française des Pneumatiques Michelin ("MFPM" or the "Scope")<sup>(1)</sup>.

### 3.3.2 COMPENSATION POLICY: THE MANAGERS

This section describes the components of the Compensation Policy for the Managers. These components are presented in a proposed ordinary resolution approved by the General Partners that will be submitted for shareholder approval at the Annual Meeting to be called to approve the 2020 financial statements (6<sup>th</sup> resolution).

For 2021, the Managers have decided to share the quantitative performance criteria and indicators defined by the Supervisory Board for their own annual variable compensation with Scope employees and eligible employees of Group companies. Concerning their long-term variable compensation, the Managers will be awarded performance shares subject to more demanding vesting conditions and criteria than those applicable to the Group's performance share plans for eligible Scope employees.

Conflicts of interest are avoided in the drafting, revision and implementation of the Compensation Policy due to the involvement of the Supervisory Board and the Compensation and Appointments Committee, whose members are all independent. The procedures for managing conflicts of interest within the Supervisory Board are described in section 3.2.6.

In accordance with the second paragraph of Article L. 22-10-76-III of the French Commercial Code, the General Partners, where the Managers are concerned, or the Supervisory Board, where the Supervisory Board members are concerned, may depart from this Compensation Policy provided that the following conditions are met:

- ▶ any departure from the Policy must be only temporary, consistent with the corporate interest and necessary to ensure the Company's long-term sustainability and viability; in addition, it may only concern the following compensation components: annual and deferred variable compensation, exceptional compensation;
- ▶ the Policy may be departed from only in exceptional circumstances, such as - for example - the currently unforeseeable effects of a health crisis and/or a systemic economic crisis, or a significant change in the Group's scope. It being specified that any change in an aspect of the Compensation Policy must be made public and justified, in particular as regards the Group's best corporate interests over the long-term;
- ▶ in the case of exceptional compensation, with payment subject to the approval of the Annual Shareholders Meeting, in accordance with the law.

The 2021 Compensation Policy is the subject of two proposed resolutions to be presented at the Annual Shareholders Meeting to be called to approve the 2020 financial statements:

- ▶ the 6<sup>th</sup> resolution concerning the policy applicable to the Managers, presented in section 3.3.2 below;
- ▶ the 7<sup>th</sup> resolution concerning the policy applicable to the members of the Supervisory Board, presented in section 3.3.3 below.

<sup>(1)</sup> The Company has very few employees (less than five, none of whom are executive directors) and their compensation and employment conditions do not therefore represent a relevant benchmark.

### 3.3.2.1 Principles for determining compensation

The compensation of the Managing Chairman and General Partner is decided by the General Partners and is subject of a deliberation by the Supervisory Board. Then:

- ▶ the annual variable compensation is deducted from the General Partners' Profit Share, as explained in section 3.3.2.3.1 below;
- ▶ the long-term variable compensation is awarded in the form of performance shares;
- ▶ the fixed compensation is paid by a subsidiary of the Company in exchange for his services as Manager of that company.

### 3.3.2.2 Fixed compensation

Considering the efforts that the Michelin Group's employees and other stakeholders have been called upon to make in order to deal with the consequences of the Covid-19 health crisis, the Managing Chairman, the General Manager and the Non-Managing General Partner decided in application of the 2020 Compensation Policy and with the unanimous backing of the Supervisory Board, to:

- ▶ maintain the Managers' fixed compensation at the amounts decided at the time of their appointment in 2018, i.e., €900,000 for Florent Menegaux and €600,000 for Yves Chapot; and
- ▶ reduce this fixed compensation by 25% for the period during which employees were furloughed in 2020.

The Compensation and Appointments Committee noted that their fixed compensation for both 2018 and 2020 remained

The fixed and variable annual compensation of the General Manager and his long-term variable compensation (performance shares) are decided by the General Partners and are the subject of a deliberation by the Supervisory Board.

The Committee also reviews all amounts and benefits due, awarded or to be awarded to the Managers for the previous year by Group companies. As part of the review, the Committee particularly verifies that the amounts paid or awarded to the Managers are proportionate and consistent in terms of (i) the Group's performance and (ii) industry and market practice.

below the median fixed compensation of equivalent categories of executives of comparable companies (CAC 40 companies), as evidenced by annual surveys conducted by leading specialized consultancies.

In light of the current economic crisis and the policy of salary moderation decided for Scope employees<sup>(1)</sup> for 2021, the Managers informed the Committee that they did not want their fixed compensation to be raised in 2021.

In conclusion, the Committee proposed to keep the Managers' fixed compensation for 2021 at the level applicable since 2018, i.e., €900,000 for Florent Menegaux and €600,000 for Yves Chapot, and to recommend that these amounts be reviewed in 2022.

### 3.3.2.3 Annual and long-term variable compensation

#### Shared principles

To engage Managers more deeply in the Company's performance and encourage them to act with its long-term interests in mind, their variable compensation includes an annual portion and a long-term portion, both of which are subject to performance conditions.

This structure means that the Managers' variable compensation fluctuates partly in line with net income for the year and partly

on the basis of several additional performance conditions related to factors that are essential for the deployment of Michelin's strategy to deliver sustainable growth.

The level and terms of the Managers' compensation take into account the positions of Managing Chairman and Managing General Partner, as well as the difference in status between a Managing General Partner and a General Manager.

#### Annual variable compensation

##### **Florent Menegaux, Managing Chairman and General Partner**

In light of the General Partners' unlimited several personal liability for the Company's debts, the Managing General Partner(s) and the Non-Managing General Partner, SAGES, are entitled to a share of annual profit (the "Profit Share") determined on the basis defined in the Company's Bylaws.

Each year, the General Partners decide on the cap to be applied to the Profit Share attributed to the Managing General Partner(s), which constitutes the variable annual compensation of the Managing General Partner(s). The Supervisory Board defines the performance criteria and objectives applicable to this variable annual compensation of the Managing General Partner(s). This means that their interests are fully aligned with those of the shareholders, as they are paid Profit Share only if the Company makes a profit<sup>(2)</sup>.

The compensation of the Managing General Partner(s) is also subject to shareholder approval in accordance with the applicable regulations, based on regulatory conditions.

(1) Scope employees are all employees of MFPM (see section 3.3.1).

(2) Substantially all of the Profit Share received by SAGES, Non-Managing General Partner, is credited to the contingency reserve set up in application of its Bylaws.

### Allocation method

The Profit Share defined in the Company's Bylaws corresponds to 12% of net profit for the year less dividends received from Manufacture Française des Pneumatiques Michelin (MFPM) and Compagnie Financière Michelin SA (CFM) (distribution of profits or reserves), capped at 0.6% of consolidated net profit for the year. It is allocated between the General Partners by mutual agreement, after consulting the Supervisory Board.

This agreement:

- ▶ sets the annual cap on the Profit Share that can be allocated to the Managing General Partner;
- ▶ describes the Profit Share allocation terms and conditions, performance criteria and the related objectives to be met by the Managing General Partner.

With effect from 2021, the purpose of the 15<sup>th</sup> and 16<sup>th</sup> draft resolutions submitted to the Extraordinary Shareholders Meeting of May 21, 2021, is to amend Articles 12 and 30 of the Company's Bylaws to modify the characteristics of the Profit Share. The main proposed changes are as follows:

- ▶ the Profit Share calculation formula would be simplified by deleting references to the Company's net income and to the dividends paid by the Company's two main subsidiaries, with the total Profit Share due to the General Partners continuing to be capped at 0.6% of consolidated net income for the year;
- ▶ the Bylaws would stipulate that the portion of the Profit Share attributable to the Managing General Partner(s) will be determined by reference to the objectives set in advance by the Supervisory Board;
- ▶ the portion of the Profit Share attributable to the Non-Managing General Partner, SAGES, would be equal to the amount attributable to the Managing General Partner(s), and no longer correspond to the balance of the Profit Share not attributed to the Managing General Partner(s);
- ▶ the Bylaws would stipulate that free shares may be awarded to the Managers, regardless of whether they are General Partners.

### Calculation method

The performance targets are proposed by the Managing General Partner to the Supervisory Board's Compensation and Appointments Committee before being discussed by the Board.

In assessing the level of the Profit Share, the Compensation and Appointments Committee considers:

- ▶ AFEP/MEDEF Code recommendation 25 concerning the calculation principles and content of compensation packages;
- ▶ the intrinsic variability of the Company's profits;
- ▶ projected future profits; and
- ▶ the General Partner's unusual situation.

At each fiscal year-end, the Compensation and Appointments Committee assesses the Managing General Partner's results in relation to the applicable objectives.

The performance criteria determined by the Supervisory Board include:

- ▶ a quantitative criterion based on consolidated net income for the year, for 4% of the Managing General Partner's Profit Share (criterion also used – after adjustment – to determine the Managing Director's variable compensation);
- ▶ a quantitative criterion based on growth in Segment Operating Income (SOI), for up to 8% of the Profit Share (criterion also used to determine the variable compensation of the General Manager and all Group employees eligible to participate in the bonus scheme);
- ▶ a quantitative criterion based on growth in structural free cash flow before acquisitions, for up to 8% of the Profit Share (criterion also used to determine the variable compensation of the General Manager and all Group employees eligible to participate in the bonus scheme); if all three quantitative performance objectives are met in full, 16% of the Profit Share for the year will vest;
- ▶ quantifiable qualitative criteria based on the Group's strategic ambitions and managerial expectations, for up to 4% of the Profit Share (criterion also used to determine the variable compensation of the General Manager). These criteria concern three areas in particular: deployment of the transformations decided in 2020 to support the Group's new strategy, employee safety, and implementation of the synergies arising from recent acquisitions.

The maximum amount receivable in respect of this annual variable compensation would:

- ▶ correspond to the amount payable if all the objectives for the selected criteria were met; and
- ▶ be capped at 16% of the Profit Share for the quantitative criteria (including the criterion based on net income) and 4% of the Profit Share for the qualitative objectives. For example, assuming that the Profit Share were equivalent to the amount proposed on the basis of 2019 income (2020 net income is not a representative indicator, due to the Covid-19 crisis), the maximum amount would be €2,076,000.

The following will be applied to each criterion:

- ▶ a trigger point below which no compensation will be due;
- ▶ an intermediate tranche between the trigger point and 100% of the objective, with the compensation prorated to the achievement rate for the objective;
- ▶ 100% of the objective, corresponding to the level at which the maximum compensation for the criterion would be payable.

For reasons of confidentiality and business secrecy, and in particular to avoid disclosing information about the Company's strategy that could be used by business competitors for their advantage, the Supervisory Board has elected not to disclose details of the performance targets set for these quantitative and quantifiable criteria. However, to permit historical comparisons, the 2020 objectives set by the Supervisory Board for the quantitative performance criteria are presented in section 3.4.3 of this report.

### Yves Chapot, General Manager

Yves Chapot's annual variable compensation would be calculated on a base equal to one-and-a-half times his 2021 fixed compensation, with the same or very similar performance criteria to those used to determine the Managing Chairman's variable compensation, as presented in the above section concerning Florent Menegaux:

- ▶ quantitative performance criteria, for up to 80% of the base;
- ▶ quantifiable qualitative criteria, for up to 20% of the base;
- ▶ The maximum amount receivable in respect of this annual variable compensation would:
  - correspond to the amount payable if all the objectives for the selected criteria were met, and

- be capped at 150% of Yves Chapot's fixed compensation for 2021, representing a maximum of €900,000 for fixed compensation of €600,000.

The performance objectives will be assessed and presented in the same way as for the Managing Chairman.

For reasons of confidentiality and business secrecy, and in particular to avoid disclosing information about the Company's strategy that could be used by business competitors for their advantage, the Supervisory Board has elected not to disclose details of the performance targets set for these quantitative and quantifiable criteria. However, to permit historical comparisons, the 2020 objectives set by the Supervisory Board for the quantitative performance criteria are presented in section 3.4.4 of this report.

### Long-term variable compensation: performance share rights

Effective from 2020<sup>(1)</sup>, and in order to align Managers' medium- and long-term objectives with the objectives assigned to employees of Group companies, Yves Chapot's long-term variable compensation takes the form of Michelin performance share rights granted pursuant to the authorization given by the Annual Shareholders Meeting of June 23, 2020<sup>(2)</sup> concerning annual share plans for employees and the Managers.

Details of the performance criteria and related intermediate achievement rates are presented in section 6.5.4 c) of the 2020 Universal Registration Document.

Effective from 2021, the following changes will be carried out.

Firstly, the Michelin Environmental Footprint – MEF – will be replaced by the i-MEP (Industrial-Michelin Environmental Performance). Since 2005, Michelin has measured and disclosed the main impacts of its industrial activities based on the MEF indicator. This indicator now needs to be updated to reflect the extensive progress made and the emergence of new environmental challenges since its launch.

The new i-MEP indicator will track the environmental impact of the Group's manufacturing operations over the next ten years.

The i-MEP will make the impacts easier to understand by focusing on five priority areas: energy use, CO<sub>2</sub> emissions, organic solvent use, water withdrawals and stress, and waste production.

On the other hand, to strike a better balance between the People, Planet and Profit criteria, the weighting of the different performance criteria will be adjusted to bring the total share of the CSR performance criterion to 40% (two indicators) versus 30% in 2020, and the total share of the operational performance criterion to 30% (15% for each indicator) versus 40% in 2020.

The target for the stock market criterion is an outperformance of the Michelin share by 5 points over that of the Stoxx Europe 600 index. The target for market outperformance, lower than in the 2020 plan, remains very ambitious.

Regarding the engagement rate, the progress made at the end of 2020 (rate of 83%) as well as the integration of new companies recently acquired within the scope of this criteria, make any additional gain beyond the rate reached in 2020 more demanding.

These adjustments are summarized in the following table:

Criteria		Weighting
Share price performance	The gain in the Michelin share price must be 5 points greater than that of the Stoxx Europe 600 index	30%
Corporate social responsibility performance	The industrial-Michelin Environmental Performance (i-MEP <sup>(1)</sup> ) indicator must be between 92 and 88 in the third year of the plan	20%
	The annual increase in the average employee engagement rate <sup>(1)</sup> must exceed 1 point	20%
Operating performance	Average annual growth in revenue (excluding tires and distribution) must be between 3% and 8%.	15%
	Total consolidated ROCE (including acquisitions, related goodwill and equity-accounted companies) must be between 10% and 11% in the third year of the plan (final ROCE).	15%

(1) Annual scope based on reported figures, including acquisitions from the fourth year of consolidation in the Group's financial statements.

(1) Since 2016, in response to shareholder expectations and the changing market environments in which the Group's businesses operate, the Managers' cash-settled long-term incentive bonuses were subject to the same performance criteria as those applicable to the employee performance share plans (that were not open to the Managers).

(2) 25<sup>th</sup> resolution of the Annual Shareholders Meeting of June 23, 2020, adopted by a 97.02% majority of the votes cast; see section 7.1.1 of the 2019 Universal Registration Document.

The main specific characteristics of the performance share rights that may be awarded to the Managers are as follows:

- ▶ the awards are decided annually by the Managing Chairman on the proposal of the General Partners, after the performance conditions and criteria have been determined by the Supervisory Board;
- ▶ the total performance share rights awarded to the Managers during the period of validity of the above resolution will be capped at 0.05% of the Company's share capital on the date of the Shareholders Meeting at which the resolution is adopted;
- ▶ in addition, the value of each annual award will be capped at a percentage of the Manager's fixed annual compensation for the award year, set at 100% for the Managing Chairman and 100% for the General Manager;
- ▶ the Managers will be required to hold 40% of the vested shares for as long as they remain in office;

- ▶ concerning the Managing Chairman and General Partner, the vested performance shares would be delivered to him only if Profit Share was distributed in respect of the year preceding the one in which the shares are issued;
- ▶ if a Manager ceases to hold this position:
  - following his resignation or removal from office due to mismanagement, all the performance share rights would be forfeited;
  - for any other reason, such as the expiration of his term or due to disability or death before the end of the reference period for determining the achievement rate for the performance criteria, he would retain a number of performance share rights initially awarded to him prorated to the time served in office during the plan period (or the total number in the case of disability or death), and the reference three-year period would continue to run, during and beyond the end of his term.

### 3.3.2.4 Fringe benefits and directors' compensation

Each Manager has a fringe benefit in the form of a Company car. They do not receive any compensation (previously referred to as attendance fees) for serving on the Board of the Company or any Group subsidiaries.

As executive officers of the Company or MFPM, the Managers are covered by health and death/disability insurance plans in the same way as the employees of the Company or MFPM.

### 3.3.2.5 Stock options

No stock options are granted to the Managers by the Company or any Group subsidiaries.

### 3.3.2.6 Pension benefits<sup>(1)</sup>

There is no specific supplementary pension plan set up for the Managers or the Chairman of the Supervisory Board.

Florent Menegaux, in his capacity as General Manager of MFPM, and Yves Chapot, in his capacity as General Manager of CGEM, participate in the supplementary pension plans described in sections 3.4.3.5 and 3.4.4.5 of this 2020 Universal Registration Document.

In accordance with Government Order No. 2019-697 dated July 3, 2019, the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan) has been closed to new members since July 4, 2019 and the vesting period was frozen at December 31, 2019.

Under the rules of the Michelin Executive Supplementary Pension Plan, the vested rights of the current two Managers

entitle them to the maximum pension benefits, capped at 15% since December 31, 2018. Consequently, the freeze on the vesting period will have no impact on the pension benefits payable to them when they retire.

If a Manager was no longer able to participate in the Michelin Executive Supplementary Pension Plan, he could be given the opportunity to either (i) participate in a new defined contribution plan, or (ii) build up a pension fund by receiving an initial seed capital award, in cash or shares, and annual payments.

The current Managers participate in the "Article 83" mandatory pension plan in the same way as all employees of CGEM and MFPM.

### 3.3.2.7 Compensation for loss of office

In accordance with Article 13-2 of the Bylaws, if a Manager 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, SAGES, subject to the prior approval of the Supervisory Board. The amount of any such compensation would not exceed the equivalent of the Manager's total compensation for the two years preceding the year of his removal from office.

<sup>(1)</sup> The disclosures in this section and in sections 3.4.3.5 and 3.4.4.5 of this 2020 Universal Registration Document comply with the provisions of the PACTE Act, as set out in Article D. 225-29-3 of the French Commercial Code.

By decision of the Supervisory Board, it would be based on the performance criteria used to determine his annual variable compensation and would be calculated using the following formula:

[Total compensation paid over the two years preceding the loss of office] x [the average (in %) of the achievement rates for the annual variable compensation for the three years preceding the loss of office].

### 3.3.2.8 Non-compete clause

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, each Manager is subject to a non-compete clause.

If the Company decided to apply this non-compete clause for a period of up to two years, in line with the conditions described in section 3.6.1.12 of this 2020 Universal Registration Document:

- ▶ Florent Menegaux, Managing General Partner and Managing Chairman, would be entitled to a non-compete indemnity of up to 24 months' compensation based on his most recent annual fixed compensation as Manager;
- ▶ Yves Chapot, General Manager, would be entitled to a non-compete indemnity of up to 24 months' compensation based on the compensation defined in his suspended contract of employment for the position held immediately before his election as Manager. The terms of the commitment would be amended in 2021 so that the above baseline would be

The compensation for loss of office would be reduced, if applicable, so that any other severance payments due to a Manager would not result in his receiving an aggregate severance package in excess of two years' compensation, as recommended in the AFEP/MEDEF Code.

indexed to the average growth in compensation of Michelin Executive Committee members since his employment contract was suspended.

In accordance with Article R.22-10-40-III of the French Commercial Code, the above compensation would not be payable if Florent Menegaux or Yves Chapot retired on leaving the Group.

In accordance with the AFEP/MEDEF Code:

- ▶ the Company may waive application of this clause;
- ▶ if compensation for loss of office were to be awarded as provided for above (see "Compensation for loss of office" above), the non-compete indemnity would be reduced or withheld entirely, if necessary, so that the Manager's aggregate severance package, including the non-compete indemnity referred to above, would not exceed the equivalent of the aggregate of his last two years' compensation.

### 3.3.2.9 Exceptional compensation

There are no plans to award any exceptional compensation to either of the Managers, except as a departure from the current Compensation Policy subject to the conditions set out in section 3.3.1 above.

### 3.3.2.10 Employment contract

Due to his status and specific responsibilities, under the applicable Compensation Policy the Managing General Partner ceases to be covered by any employment contract that may have existed between him and a Group company. This rule applies even if he has acquired considerable seniority with the Group.

Consequently, Florent Menegaux no longer has an employment contract with the Company or any of its subsidiaries since he became Managing General Partner of the Company<sup>(1)</sup>.

In addition, Yves Chapot's mandate as General Manager justifies suspending his pre-existing employment contract with a Michelin Group company:

- ▶ Yves Chapot is not the most senior executive officer (Manager); he reports to the Managing Chairman who, according to the Company's Bylaws, defines the Managers' areas of responsibility and any restrictions on their powers, as well as setting their annual objectives;

- ▶ the position of General Manager is therefore similar to that of a Chief Operating Officer or a member of the Management Board of a joint stock corporation. The AFEP/MEDEF Code does not recommend terminating these executives' employment contracts;
- ▶ Yves Chapot has acquired considerable seniority, having worked for the Michelin Group without interruption for over 29 years (since 1992);
- ▶ if Yves Chapot were to cease to be a Manager, any compensation for loss of office or non-compete indemnity due to him would be reduced or canceled if necessary so that the total amount payable – including the termination benefit in respect of his suspended employment contract – would not exceed his final two years' total compensation.

(1) This adaptation to the full application of the AFEP/MEDEF Code's recommendations is mentioned in the table in section 3.2.8 prepared in accordance with the "comply or explain" rule.

### 3.3.2.11 Proposed resolution on the Compensation Policy for the Managers

At the Annual Meeting called to approve the 2020 financial statements, shareholders will be asked to approve the following resolution:

#### 6<sup>th</sup> resolution

#### Approval of the Compensation Policy applicable to the Managers

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual

Shareholders Meeting, in application of Article L. 22-10-76-II of the French Commercial Code, approves the Compensation Policy applicable to the Managers drawn up by the General Partners, as presented in the Corporate Governance Report set out in sections 3.3.1 and 3.3.2 of the Company's 2020 Universal Registration Document.

## 3.3.3 COMPENSATION POLICY: MEMBERS OF THE SUPERVISORY BOARD

This section describes the components of the Compensation Policy applicable to the members of the Supervisory Board. These components are presented in a proposed resolution approved by the General Partners that will be submitted for shareholder approval at the Annual Meeting called to approve the 2020 financial statements (7<sup>th</sup> resolution).

Concerning the members of the Supervisory Board, the Bylaws state that the Ordinary Shareholders Meeting may award a fixed annual amount to the Supervisory Board, to be allocated by the Board among its members in accordance with the Compensation Policy that it has drawn up.

The compensation components were determined by the Supervisory Board on the recommendation of its Compensation and Appointments Committee.

### 3.3.3.1 Compensation for service as members of the Supervisory Board

At the Annual Shareholders Meeting of May 17, 2019, the total compensation payable to Supervisory Board members was set at €770,000 (12<sup>th</sup> resolution, adopted by a majority of 99.15% of the votes cast).

On the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided to allocate this annual amount as follows:

- ▶ allocation of a basic amount to each member (€45,000);
- ▶ allocation of additional amount 1 to each member who sits on a Committee of the Supervisory Board and participates in its work (€15,000);
- ▶ allocation of additional amount 2 to each member who serves as Chair of a Committee of the Supervisory Board and participates in its work, (€30,000 or €35,000 for the Chair of the Audit Committee) (recipients of this additional amount 2 are not entitled to additional amount 1 for their participation in the Committee's work);
- ▶ allocation of additional amount 3 to the Senior Independent Member of the Supervisory Board (€15,000);
- ▶ allocation of additional amount 4 to the Chairman of the Supervisory Board (€75,000), who is not entitled to additional amounts 1, 2 or 3;

- ▶ allocation of additional amount 5 to Supervisory Board members who live outside Europe on a permanent basis (€10,000);

Payment of 60% of the total amount receivable (basic amount and any of the additional amounts defined above) will depend on the member's attendance rate at meetings of the Supervisory Board and of any Committees of which he or she is a member, based on the meeting schedule established at the start of the year.

The attendance rate and the corresponding allocation of annual compensation for a given year will be prepared by the Compensation and Appointments Committee then approved by the Supervisory Board during the first quarter of the following year.

The compensation will be paid (including to the Chairman of the Supervisory Board) during the first half of the year following the one to which it relates, provided that the resolution on the disclosures required by Article L. 22-10-9 of the French Commercial Code has been approved by the Annual Shareholders Meeting called to approve the financial statements for the year preceding the one to which the compensation relates.

### 3.3.3.2 Other compensation

As the Supervisory Board members do not hold any other positions within the Company or the Michelin Group, they do not receive any other compensation from the Company or its subsidiaries.

### 3.3.3.3 Proposed resolution on the Compensation Policy for members of the Supervisory Board

At the Annual Meeting called to approve the 2020 financial statements, shareholders will be asked to approve the following resolution:

#### 7<sup>th</sup> resolution

#### Approval of the Compensation Policy applicable to members of the Supervisory Board

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual

Shareholders Meeting, in application of Article L. 22-10-76-II of the French Commercial Code, approves the Compensation Policy applicable to the members of the Supervisory Board, as presented in the Corporate Governance Report set out in sections 3.3.1 and 3.3.3 of the Company's 2020 Universal Registration Document.

## 3.4 INFORMATION ABOUT THE COMPONENTS OF COMPENSATION PAID OR AWARDED TO THE CORPORATE OFFICERS

### 3.4.1 COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD

No variable compensation was paid to them in 2020 or awarded to them in respect of that year. The Chairman and the independent members of the Supervisory Board are joining the Managers' effort by donating 25% of their 2019 compensation received in 2020 to foundations in their respective countries for the fight against Covid-19

The 2020 compensation policy for Supervisory Board members was presented to the Annual Shareholders Meeting of June 23, 2020 and was approved by a 99.75% majority of the votes cast.

Information about the members' attendance rates at meetings of the Supervisory Board and its Committees in 2020 is provided in section 3.2.2 of this 2020 Universal Registration Document.

The following table shows:

- ▶ Amounts paid in 2019 in respect of services to the Board in 2018;
- ▶ Amounts awarded for services to the Board in 2019, paid in 2020;
- ▶ Amounts paid in 2020 in respect of services to the Board in 2019;
- ▶ Amounts awarded for services to the Board in 2020, not yet paid.



Supervisory Board members	2020 <sup>(1)</sup>		2019 <sup>(1)</sup>	
	Amount awarded (in €)	Amount paid (in €)	Amount awarded (in €)	Amount paid (in €)
Olivier Bazil <sup>(2)</sup>	35,500	80,000	80,000	63,278
Barbara Dalibard	80,000	90,000	90,000	63,278
Jean-Pierre Duprieu	62,500	60,000	60,000	53,543
Aruna Jayanthi	70,000	70,000	70,000	63,278
Anne-Sophie de La Bigne	65,000	71,250	71,250	63,278
Patrick de La Chevardière <sup>(3)</sup>	44,500	N/A	N/A	N/A
Jean-Christophe Laourde <sup>(4)</sup>	9,000	N/A	N/A	N/A
Thierry Le Hénaff	68,330	56,727	56,727	22,488
Monique Leroux	80,000	70,000	70,000	60,357
Cyrille Poughon <sup>(5)</sup>	47,250	60,000	60,000	53,543
Michel Rollier	120,000	112,800	112,800	87,615
Delphine Roussy <sup>(4)</sup>	9,000	N/A	N/A	N/A
Jean-Michel Severino <sup>(6)</sup>	17,750	N/A	N/A	N/A
<b>TOTAL</b>	<b>708,830<sup>(7)</sup></b>	<b>670,777<sup>(8)</sup></b>	<b>670,777<sup>(8)</sup></b>	<b>554,992<sup>(9)</sup></b>

(1) The compensation indicated consists solely of fixed compensation for services as Supervisory Board member. No variable compensation was paid for these services and no other compensation was awarded or paid.

(2) Supervisory Board member until June 2020.

(3) Supervisory Board member since June 2020.

(4) Supervisory Board member since December 2020.

(5) Supervisory Board member until October 2020.

(6) Supervisory Board member since November 2020.

(7) The amounts awarded in respect of 2020 have been determined in application of the 2020 Supervisory Board Compensation Policy approved by the Annual Shareholders Meeting of June 23, 2020 (7<sup>th</sup> resolution adopted by a majority of 99.75% of the votes cast).

(8) The amounts paid in 2020 were awarded in respect of 2019 out of the total annual compensation of €770,000 decided by the Annual Shareholders Meeting of May 17, 2019 (12<sup>th</sup> resolution adopted by a majority of 99.15% of the votes cast). The Chairman and independent members of the Supervisory Board joined the Managers by deciding to donate 25% of their compensation to foundations in their respective countries, which are part of the fight against Covid-19.

(9) Including €24,338 paid to Pat Cox for his services as Supervisory Board member until May 2018.

## 3.4.2 COMPENSATION OF MICHEL ROLLIER, CHAIRMAN OF THE SUPERVISORY BOARD

The Compensation and Appointments Committee of the Supervisory Board has reviewed all the components of the compensation paid or awarded to Michel Rollier, Chairman of the Supervisory Board and sole non-executive officer pursuant to the 2020 Compensation Policy.

### 3.4.2.1 Compensation for serving on the Supervisory Board

In 2020, Michel Rollier received a total of €112,800 in respect of 2019. Michel Rollier joined the Managers by donating 25% of this compensation to a foundation which is part of the fight against Covid-19.

Under the 2020 Compensation Policy decided by the Supervisory Board, Michel Rollier is in line to receive €120,000 in 2021 in respect of 2020.

No variable compensation was paid or awarded to Michel Rollier during or in respect of 2020.

Information about Michel Rollier's attendance rate at meetings of the Supervisory Board and its Committees in 2020 is provided in section 3.2.2 of this 2020 Universal Registration Document.

### 3.4.2.2 Other compensation

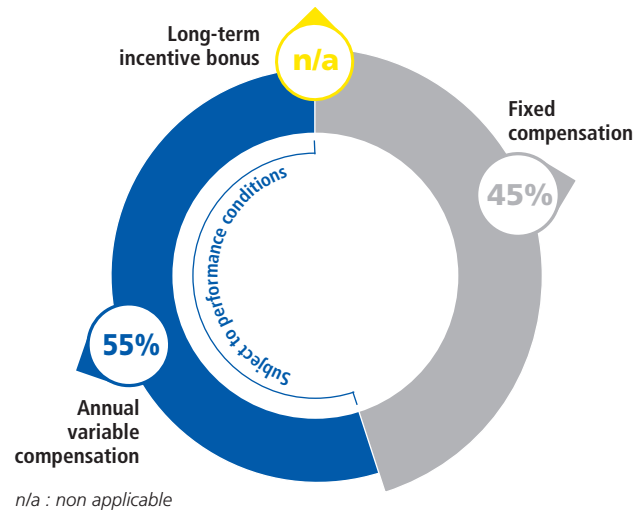
No other compensation was paid or awarded to Michel Rollier during or in respect of 2020.

### 3.4.3 COMPENSATION PACKAGE OF FLORENT MENEGAUX, MANAGING CHAIRMAN AND MANAGING GENERAL PARTNER

In his capacity as General Partner of CGEM<sup>(1)</sup>, Florent Menegaux has unlimited joint and personal liability for CGEM's debts. As consideration for this liability, the General Partners each receive a portion of the Company's profits<sup>(2)</sup> as provided for in the Bylaws. This means that their interests are fully aligned with those of the shareholders, as they are paid this consideration only if the Company makes a profit. This means that their interests are fully aligned with those of the shareholders, as they are paid this consideration only if the Company makes a profit.

The Compensation and Appointments Committee of the Supervisory Board has reviewed all the components of the compensation paid to Florent Menegaux in 2020 or awarded to him in respect of 2020 in his capacity as General Manager, pursuant to the 2020 Compensation Policy. This policy is described in the Corporate Governance Report reproduced in the 2019 Universal Registration Document<sup>(3)</sup> and was presented to the Annual Shareholders Meeting of June 23, 2020 by the Chair of the Compensation and Appointments Committee (the "2020 Compensation Policy")<sup>(4)</sup>.

#### COMPENSATION PAID TO FLORENT MENEGAUX DURING FISCAL YEAR 2020



#### 3.4.3.1 Fixed compensation

In application of the 2020 Compensation Policy, Florent Menegaux's fixed compensation, unchanged since his election by the Annual Shareholders Meeting of May 18, 2018, was reduced by 25% during the approximately three months in

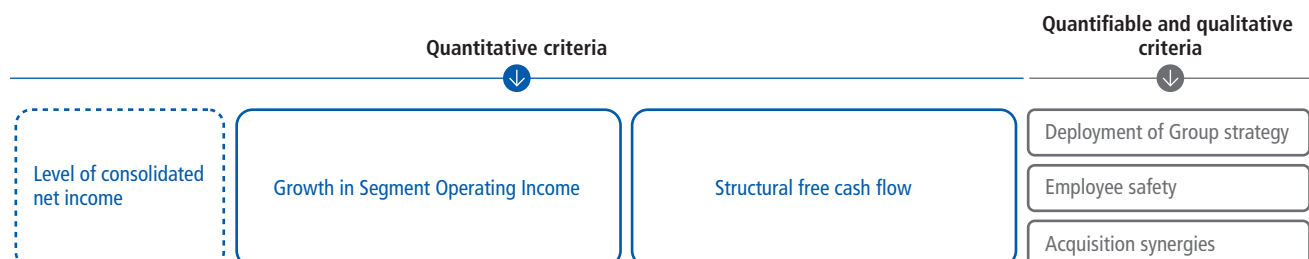
2020 when employees in France were furloughed. The fixed compensation received by Florent Menegaux therefore amounted to €843,750<sup>(5)</sup>.

#### 3.4.3.2 Annual variable compensation

This annual variable compensation has been determined in application of the 2020 Compensation Policy and is deducted in full from the Profit Share of €3,752,651.21<sup>(6) (7)</sup> due to the General Partners for 2020.

#### ANNUAL VARIABLE COMPENSATION

The breakdown of the relative weighting of each of the criteria (excluding consolidated net income) corresponds to the maximum achievement of all the objectives and not to the 2020 results.



(1) At December 31, 2020, the Company had two General Partners: Florent Menegaux, Managing Chairman, and SAGES, Non-Managing General Partner (see section 3.1.2 of this 2020 Universal Registration Document).

(2) See Article 30 of the Bylaws, reproduced in section 3.10.5 below.

(3) See sections 3.4.1 and 3.4.2 of the 2019 Universal Registration Document.

(4) See the information/presentations on the June 23, 2020 Annual Shareholders Meeting on the Company's website [www.michelin.com](http://www.michelin.com).

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

(6) See the 2<sup>nd</sup> resolution presented to the Annual Shareholders Meeting of May 21, 2021.

(7) The Profit Share is fixed in the Company's Bylaws at 12% of the Company's net income for the year, with a cap of 0.6% of consolidated net income (see section 3.10.5 of this 2020 Universal Registration Document).

The achievement rates for the criteria that determine the amounts due in respect of annual variable compensation are as follows:

Quantitative criteria	Sector Operating Income (SOI, based on 2019 exchange rates and consolidation scope)	Annual structural free cash flow	Level of consolidated net income
Indicator	Amount	Amount	Amount
Target	Threshold: €2,800m Target: €2,950m Ceiling: €3,100m	Threshold: €1,500m Target: €1,600m Ceiling: €1,700m	4%
Indicator: 2020 Actual	€1,997m	€2,010m	€625m
Maximum value (% of the Profit Share) <sup>(1)</sup>	8%	8%	4%
Achievement rate	0%	8%	4%

(1) The maximum value, if the SOI and free cash flow targets are met, is capped at 16% of the Profit Share.

Quantifiable qualitative criteria	Deployment of the strategy	CSR/TCIR <sup>(1)</sup>	Acquisition synergies <sup>(2)</sup>
Maximum value (% of the Profit Share)	2%	1%	1%
Achievement rate	2%	1%	0.49%

(1) Total Case Incident Rate.

(2) Scope: Camso, Fenner, Multistrada (based on 2019 exchange rates)

Overall achievement rate	15.49%/20% <sup>(1)</sup>
Amount awarded (in €)	581,161
As a % of the reference fixed compensation	64.57%

(1) Florent Menegaux would be awarded the maximum 20% of the Consolidated Calculation Base for this component only if all the objectives were achieved in full.

All quantitative and qualitative objectives were set at the start of 2020, prior to the onset of the health crisis and before the economic implications became clear. These objectives were not subsequently amended.

The Compensation and Appointments Committee carefully reviewed achievement rates for each of the quantitative and qualitative criteria. Concerning the quantifiable qualitative criteria, the Committee's conclusions were as follows:

- ▶ For the "Deployment of the strategy" criterion, the Committee noted that the objectives had been met, as follows:
  - the overall strategy had been formally described and deployed, including the Strategic Statement, Balanced Score Card, transformations mapping and management methods,
  - certain major transformation programs were launched in 2020,
  - medium-term financial models had been developed;

- ▶ for the Corporate Social Responsibility criterion (Total Case Incident Rate, measuring improvements to the safety of Michelin Group employees), the Committee noted that the objective had been met, with the TCIR at 1.19;
- ▶ for the criterion concerning implementation of the synergies created by the integration of Camso, Fenner and Multistrada, the Committee noted that total synergistic benefits of €80.6 million had been obtained in 2020, an increase of €54 million versus 2019 synergies.

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 15.49% versus a maximum of 20%. Given the Calculation Base of €3,752,651.21, Florent Menegaux's annual variable compensation for 2020 amounts to €581,161.

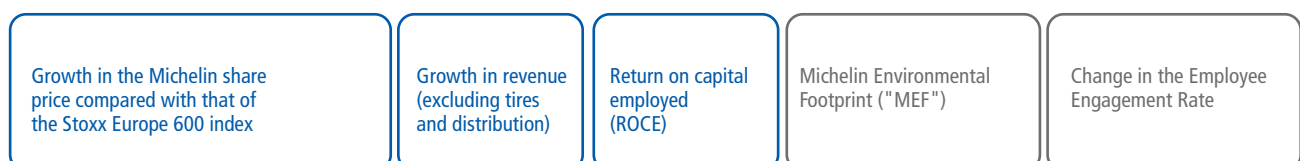
After discussing the matter during its meeting on February 12, 2021, the Supervisory Board approved the Compensation and Appointments Committee's recommendations, which were then also approved by the General Partners.

### 3.4.3.3 Long-term variable compensation granted in 2020: performance share rights

#### LONG-TERM VARIABLE COMPENSATION

The breakdown of the relative weighting of each of the criteria corresponds to the maximum achievement of all the objectives and not to the 2020 results.

#### Quantitative criteria



On November 13, 2020, 12,012 performance share rights were awarded to Florent Menegaux. The book value of these rights was €673,051.63 (based on IFRS 2) and the rights represented less than 0.0068% of the total Michelin shares outstanding at December 31, 2020.

This award was made in application of the 2020 Compensation Policy, pursuant to the proposal made by the General Partners and after the Supervisory Board had determined the vesting terms and conditions applicable to the total award.

The structure of the performance share plans for employees of Group companies and for the Company's Managers is described in detail in the presentation of the 25<sup>th</sup> resolution submitted to the Annual Shareholders Meeting of June 23, 2020 (pages 395 *et seq.* of the 2019 Universal Registration Document), which was adopted by a majority of 97.02% of the votes cast.

In application of the 2020 Compensation Policy, the award is subject to the following specific rules:

- ▶ the Managers are required to hold 40% of the vested shares for as long as they remain in office;
- ▶ each annual award is limited to 100% of the Manager's fixed annual compensation for that year;
- ▶ in addition, for the period of validity of the above-mentioned 25<sup>th</sup> resolution (38 months), performance share rights awarded to the Managers may not exceed the equivalent of 0.05% of the Company's capital; this is a specific sub-cap applicable to the Managers within the overall cap of 0.9% applicable to all recipients of share rights provided for in the 25<sup>th</sup> resolution;
- ▶ concerning Florent Menegaux, Managing Chairman and General Partner, the vested performance shares would be delivered to him only if Profit Share was distributed in respect of the year preceding the one in which the shares are issued.

In accordance with AFEP/MEDEF Code recommendation No. 25.3.3, the equity risk on the performance shares has not been hedged by Florent Menegaux and will not be hedged at any time during the holding period.

The performance criteria are presented below.

These criteria and the related objectives applicable to the Managers were not adjusted despite the exceptional economic consequences of the Covid-19 crisis on the business in 2020.

**First criterion (financial performance): growth in the Michelin share price**

This criterion concerns Michelin's share performance compared with that of the Stoxx Europe 600 index.

The Stoxx Europe 600 index has been chosen due to the breakdown of the Group's operations between various business segments (Automotive, Road Transportation, Specialties, High-Tech Materials). This criterion would have a 30% weighting.

It would be assessed by comparing the annual average share price for the year preceding the reference three-year period and the same average for the last year of the three-year period.

If the gain in Michelin's share price was at least 15 points more than the gain in the Stoxx Europe 600 index, the achievement rate would be 100% and the maximum 30% of the free shares would vest.

If the gain in Michelin's share price was less than 15 points more than the gain in the Stoxx Europe 600 index, the result would be:  $30\% \times (\text{gain in the Michelin share price} - \text{gain in the Stoxx Europe 600 index}) / 15$ .

If the gain in Michelin's share price was less than the gain in the Stoxx Europe 600, the achievement rate would be 0% and none of the related free shares would vest.

**Second criterion (corporate social responsibility): improvements in the environmental performance of manufacturing operations and employee engagement rates**

This criterion is based on two indicators: the environmental footprint of Michelin's manufacturing operations and the level of employee engagement.

As each of these indicators would have a 15% weighting, the criterion's total weighting would be 30%.

Michelin Environmental Footprint (MEF) indicator: energy use, water withdrawals, CO<sub>2</sub> emissions, volatile organic compound emissions, amount of waste produced and amount of waste landfilled. The Group's goal for 2020 is to reduce the MEF by 50% compared with 2005.

The final revenue indicator would have a weighting of 15% and would be taken into account as follows:

- ▶ if the average annual change in the MEF over three years was greater than -0.5 pts, the achievement rate would be 0% and none of the free shares for this objective would vest;
- ▶ if the average annual change in the MEF over three years was between -0.5 pts and -1.5 pts, free shares for this objective would vest proportionately to the achievement rate;
- ▶ if the average annual change in the MEF over three years was less than -1.5 pts, the maximum 15% of the free shares for this objective would vest.

This indicator would be assessed as the average for a rolling three-year period starting from the year in which the plan was launched.

The second indicator – employee engagement – is measured each year during the "Moving Forward Together: Your Voice for Action" survey.

The final revenue indicator would have a weighting of 15% and would be taken into account as follows:

- ▶ if the average engagement rate improved by less than 0.1 pts, the achievement rate would be 0% and none of the related free shares would vest;
- ▶ if the average engagement rate improved by between 0.1 pts and 1.5 pts, the free shares for this objective would vest proportionately to the achievement rate;
- ▶ if the average engagement rate improved by more than 1.5 pts, the maximum 15% of the free shares for this objective would vest.

This indicator would be assessed as the average for a rolling three-year period starting from the year in which the plan was launched.

**Third criterion (operating performance): growth in revenue (excluding tires and distribution) and return on capital employed (ROCE)**

This criterion is based on two indicators: revenue growth excluding tires and distribution, and total consolidated ROCE (including acquisitions and companies accounted for by the equity method).

The growth in the new business revenue indicator (like-for-like growth excluding tires and distribution) measures the Group's ability to grow its new businesses (as opposed to its historical core business). The final revenue indicator would have a weighting of 20% and would be taken into account as follows:

- ▶ if average annual new business revenue growth exceeded 8%, the achievement rate would be 100% and the maximum 20% of the maximum potential free shares would vest;
- ▶ if average annual new business revenue growth was between 3% and 8%, the free shares for this criterion would vest proportionately to the achievement rate;
- ▶ if average annual new business revenue growth was less than 3%, the achievement rate would be 0% and none of the related free shares would vest.

This criterion would be assessed as the average for a rolling three-year period starting from the year in which the plan<sup>(1)</sup> was launched.

Total consolidated ROCE (including acquisitions, related goodwill, and companies accounted for by the equity method) for the last year of the three-year period ("final ROCE") measures the robustness of the Group's performance. The final revenue indicator would have a weighting of 20% and would be taken into account as follows:

- ▶ if the final ROCE exceeded 11%, the achievement rate would be 100% and the maximum 20% of the potential free shares would vest;
- ▶ if the final ROCE was between 10% and 11%, the free shares for this criterion would vest proportionately to the achievement rate;
- ▶ if the final ROCE was less than 10%, the achievement rate would be 0% and none of the related free shares would vest.

The interim fulfillment rates are presented in section 6.5.4 c) of the 2020 Universal Registration Document, in the table entitled "Interim fulfillment of performance conditions under the November 13, 2020 performance share plan for the Managers".

### 3.4.3.4 Fringe benefits, stock options and directors' or Supervisory Board members' compensation

In line with the 2020 Compensation Policy, in 2020 Florent Menegaux did not receive (i) any compensation in his capacity as a member of the Board of Directors or Supervisory Board of the Company or any controlled entities, (ii) any benefits other

than those listed above, or (iii) any stock options of the Company or any controlled entities.

Mr. Menegaux has a fringe benefit in the form of a Company car (see the table in section 3.6.2).

### 3.4.3.5 Pension benefits

There is no specific supplementary pension plan set up for the Managers or the Chairman of the Supervisory Board.

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).

As required by Article D. 225-29-3 of the French Commercial Code, this plan, governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code, is described below:

- ▶ as of their retirement date, participants must have served for at least five years as a senior executive to be eligible for benefits;
- ▶ 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). In accordance with the government order dated July 3, 2019, no rights have vested since December 31, 2019;
- ▶ 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 2020 was made up solely of the annual fixed compensation paid by MFPM.

Based on the assumptions in Article D. 225-29-3 of the French Commercial Code introduced by Decree No. 2019-1235, the estimated gross annual pension payable to Mr. Menegaux under this plan amounts to €135,000.

The benefit represented by the Company's contributions to the plan is taxed at the rate of 24%. 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.

As Managing General Partner, Mr. Menegaux participates in the "Article 83" mandatory pension plan in the same way as all employees of CGEM and MFPM.

### 3.4.3.6 Compensation for loss of office

No compensation for loss of office was paid to Mr. Menegaux in 2020<sup>(2)</sup>.

### 3.4.3.7 Non-compete indemnity

No non-compete indemnity was paid to Mr. Menegaux in 2020<sup>(2)</sup>.

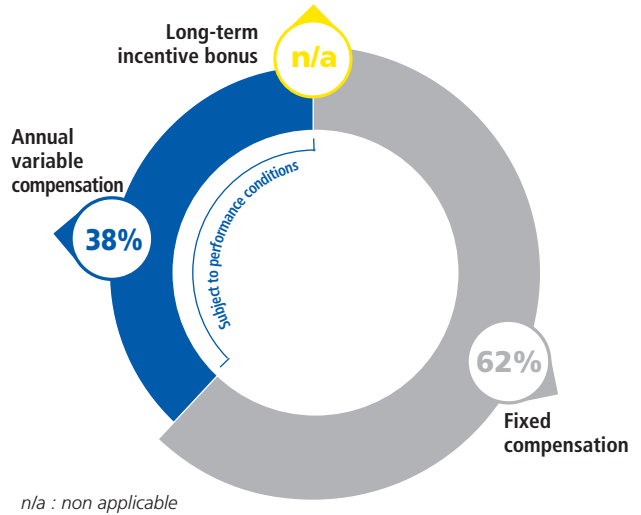
(1) Due to the exceptional economic consequences of the Covid-19 crisis for the business in 2020, the effect of this indicator was neutralized in 2020 for employees, so that the criterion reflects the actual market situation post-Covid-19 and in order to continue to motivate the teams.

(2) See detailed disclosures in section 3.7.1.12 of this 2020 Universal Registration Document.

### 3.4.4 COMPENSATION PACKAGE OF YVES CHAPOT, GENERAL MANAGER

The Compensation and Appointments Committee of the Supervisory Board has reviewed all the components of the compensation paid to Yves Chapot in 2020 or awarded to him in respect of 2020 in his capacity as General Manager, pursuant to the 2019 Compensation Policy. This policy is described in the Corporate Governance Report reproduced in the 2019 Universal Registration Document<sup>(1)</sup> and was presented to the Annual Shareholders Meeting of June 23, 2020 by the Chair of the Compensation and Appointments Committee (the "2020 Compensation Policy")<sup>(2)</sup>.

#### COMPENSATION PAID TO YVES CHAPOT DURING FISCAL YEAR 2020



#### 3.4.4.1 Fixed compensation

In application of the 2020 Compensation Policy, Yves Chapot's fixed compensation, unchanged since his election by the Annual Shareholders Meeting of May 18, 2018, was reduced by 25%

during the approximately three months in 2020 when employees in France were furloughed. The fixed compensation received by Yves Chapot therefore amounted to €562,500.

#### 3.4.4.2 Annual variable compensation

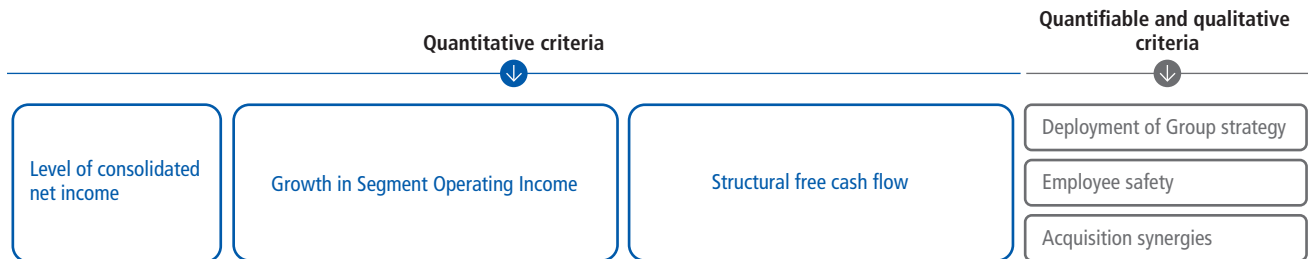
In application of the 2020 Compensation Policy and as recommended by the Supervisory Board, the General Partners have set Yves Chapot's annual variable compensation based on 150% of his fixed compensation for 2019 as General Manager (the "Calculation Base") and six performance criteria. Three of

these are qualitative criteria accounting for 80/100 and three are quantifiable qualitative criteria accounting for 20/100.

Mr. Chapot will be awarded the maximum amount if the cumulative achievement rate for the six criteria is 100 out of 100.

#### ANNUAL VARIABLE COMPENSATION

The breakdown of the relative weighting of each of the criteria corresponds to the maximum achievement of all the objectives and not to the 2020 results.



(1) See sections 3.4.1 and 3.4.2 of the 2019 Universal Registration Document.

(2) See the information/presentations on the June 23, 2020 Annual Shareholders Meeting on the Company's website [www.michelin.com](http://www.michelin.com).

The achievement rates for the criteria that determine the amounts due in respect of annual variable compensation are as follows:

Quantitative criteria	Sector Operating Income (SOI, based on 2019 exchange rates and consolidation scope)	Annual structural free cash flow	Level of consolidated net income
	Amount	Amount	Amount
Indicator	Amount	Amount	Amount
Target	Threshold: €2,800m Target: €2,950m Ceiling: €3,100m	Threshold: €1,500m Target: €1,600m Ceiling: €1,700m	Threshold: €1,630m Target: €1,730m Ceiling: €1,830m
Indicator: 2020 Actual	€1,997m	€2,010m	€625m
Maximum value <sup>(1)</sup>	40	40	20
Achievement rate	0	40	0

(1) If all the objectives were achieved in full, the result would however be limited to 80.

Quantifiable qualitative criteria	Deployment of the strategy	CSR/TCIR <sup>(1)</sup>	Acquisition synergies <sup>(2)</sup>
Maximum value (out of 20)	10	5	5
Achievement rate	10	5	2.4

(1) Total Case incident Rate.

(2) Scope: Camso, Fenner, Multistrada (based on 2019 exchange rates)

Overall achievement rate	57.43/100 <sup>(1)</sup>
Amount awarded based on quantifiable qualitative criteria (in €)	516,900
As a % of the reference fixed compensation	86.15%

(1) Mr. Chapot will be awarded the maximum amount if the cumulative achievement rate for the six criteria is 100 out of 100.

All quantitative and qualitative objectives were set at the start of 2020, prior to the onset of the health crisis and before the economic implications became clear. These objectives were not subsequently amended.

The Compensation and Appointments Committee carefully reviewed achievement rates for each of the quantitative and qualitative criteria.

Concerning the quantifiable qualitative criteria, the Committee's conclusions were as follows:

- ▶ For the "Deployment of the strategy" criterion, the Committee noted that the objectives had been met, as follows:
  - the overall strategy had been formally described and deployed, including the Strategic Statement, Balanced Score Card, transformations mapping and management methods,
  - certain major transformation programs were launched in 2020,
  - medium-term financial models had been developed;

- ▶ For the Corporate Social Responsibility criterion (Total Case Incident Rate, measuring improvements to the safety of Michelin Group employees), the Committee noted that the objective had been met, with the TCIR at 1.19;
- ▶ For the criterion concerning implementation of the synergies created by the integration of Camso, Fenner and Multistrada, the Committee noted that total synergistic benefits of €80.6 million had been obtained in 2020, an increase of €54 million versus 2019 synergies.

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 57.43/100. Given the Calculation Base, Yves Chapot's annual variable compensation for 2020 amounts to €516,900.

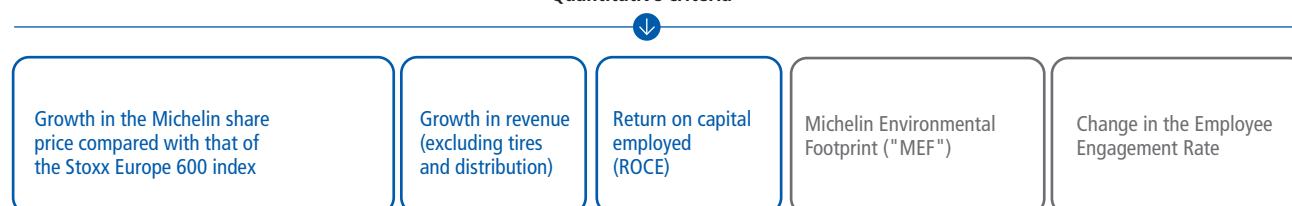
After discussing the matter during its meeting on February 12, 2021, the Supervisory Board approved the Compensation and Appointments Committee's recommendation, which were then also approved by the General Partners.

### 3.4.4.3 Long-term variable compensation granted in 2020: performance share rights

#### ANNUAL VARIABLE COMPENSATION

The breakdown of the relative weighting of each of the criteria corresponds to the maximum achievement of all the objectives and not to the 2019 results.

#### Quantitative criteria



On November 13, 2020, 8,008 performance share rights were awarded to Yves Chapot. The book value of these rights was €448,701.09 (based on IFRS 2) and the rights represented less than 0.0045% of the total Michelin shares outstanding at December 31, 2020.

This award was made in application of the 2020 Compensation Policy, pursuant to the proposal made by the General Partners and after the Supervisory Board had determined the vesting terms and conditions applicable to the total award.

The structure of the performance share plans for employees of Group companies and for the Company's Managers is described in detail in the presentation of the 25<sup>th</sup> resolution submitted to the Annual Shareholders Meeting of June 23, 2020 (pages 395 *et seq.* of the 2019 Universal Registration Document), which was adopted by a majority of 97.02% of the votes cast.

In application of the 2020 Compensation Policy, the award is subject to the following specific rules:

- ▶ the Managers are required to hold 40% of the vested shares for as long as they remain in office;
- ▶ each annual award is limited to 100% of the Manager's fixed annual compensation for that year;
- ▶ in addition, for the period of validity of the above-mentioned 25<sup>th</sup> resolution (38 months), performance share rights awarded to the Managers may not exceed the equivalent of 0.05% of the Company's capital; this is a specific sub-cap applicable to the Managers within the overall cap of 0.9% applicable to all recipients of share rights provided for in said resolution.

In accordance with AFEP/MEDEF Code recommendation No. 25.3.3, the equity risk on the performance shares has not been hedged by Yves Chapot and will not be hedged at any time during the holding period.

The performance criteria are presented below.

These criteria and the related objectives applicable to the Managers were not adjusted despite the exceptional economic consequences of the Covid-19 crisis on the business in 2020.

**First criterion (financial performance): growth in the Michelin share price**

This criterion concerns Michelin's share performance compared with that of the Stoxx Europe 600 index.

The Stoxx Europe 600 index has been chosen due to the breakdown of the Group's operations between various business segments (Automotive, Road Transportation, Specialties, High-Tech Materials). This criterion would have a 30% weighting.

It would be assessed by comparing the annual average share price for the year preceding the reference three-year period and the same average for the last year of the three-year period.

If the gain in Michelin's share price was at least 15 points more than the gain in the Stoxx Europe 600 index, the achievement rate would be 100% and the maximum 30% of the free shares would vest.

If the gain in Michelin's share price was less than 15 points more than the gain in the Stoxx Europe 600 index, the result would be:  $30\% \times (\text{gain in the Michelin share price} - \text{gain in the Stoxx Europe 600 index}) / 15$ .

If the gain in Michelin's share price was less than the gain in the Stoxx Europe 600 index, the achievement rate would be 0% and none of the related free shares would vest.

**Second criterion (corporate social responsibility): improvements in the environmental performance of manufacturing operations and employee engagement rates**

This criterion is based on two indicators: the environmental footprint of Michelin's manufacturing operations and the level of employee engagement.

As each of these indicators would have a 15% weighting, the criterion's total weighting would be 30%.

Michelin Environmental Footprint (MEF) indicator: energy use, water withdrawals, CO<sub>2</sub> emissions, volatile organic compound emissions, amount of waste produced and amount of waste landfilled. The Group's goal for 2020 is to reduce the MEF by 50% compared with 2005.

The final revenue indicator would have a weighting of 15% and would be taken into account as follows:

- ▶ if the average annual change in the MEF over three years was greater than -0.5 pts, the achievement rate would be 0% and none of the free shares for this objective would vest;
- ▶ if the average annual change in the MEF over three years was between -0.5 pts and -1.5 pts, free shares for this objective would vest proportionately to the achievement rate;
- ▶ if the average annual change in the MEF over three years was less than -1.5 pts, the maximum 15% of the free shares for this objective would vest.

This indicator would be assessed as the average for a rolling three-year period starting from the year in which the plan was launched.

The second indicator – employee engagement – is measured each year during the "Moving Forward Together: Your Voice for Action" survey.

The final revenue indicator would have a weighting of 15% and would be taken into account as follows:

- ▶ if the average engagement rate improved by less than 0.1 pts, the achievement rate would be 0% and none of the related free shares would vest;
- ▶ if the average engagement rate improved by between 0.1 pts and 1.5 pts, the free shares for this objective would vest proportionately to the achievement rate;
- ▶ if the average engagement rate improved by more than 1.5 pts, the maximum 15% of the free shares for this objective would vest.

This indicator would be assessed as the average for a rolling three-year period starting from the year in which the plan was launched.

**Third criterion (operating performance): growth in revenue (excluding tires and distribution) and return on capital employed (ROCE)**

This criterion is based on two indicators: revenue growth excluding tires and distribution, and total consolidated ROCE (including acquisitions and companies accounted for by the equity method).



The growth in the new business revenue indicator (like-for-like growth excluding tires and distribution) measures the Group's ability to grow its new businesses (as opposed to its historical core business). The final revenue indicator would have a weighting of 20% and would be taken into account as follows:

- ▶ if average annual new business revenue growth exceeded 8%, the achievement rate would be 100% and the maximum 20% of the maximum potential free shares would vest;
- ▶ if average annual new business revenue growth was between 3% and 8%, the free shares for this criterion would vest proportionately to the achievement rate;
- ▶ if average annual new business revenue growth was less than 3%, the achievement rate would be 0% and none of the related free shares would vest.

This criterion would be assessed as the average for a rolling three-year period starting from the year in which the plan was launched<sup>(1)</sup>.

Total consolidated ROCE (including acquisitions, related goodwill, and companies accounted for by the equity method) for the last year of the three-year period ("final ROCE") measures the robustness of the Group's performance. The final revenue indicator would have a weighting of 20% and would be taken into account as follows:

- ▶ if the final ROCE exceeded 11%, the achievement rate would be 100% and the maximum 20% of the potential free shares would vest;
- ▶ if the final ROCE was between 10% and 11%, the free shares for this criterion would vest proportionately to the achievement rate;
- ▶ if the final ROCE was less than 10%, the achievement rate would be 0% and none of the related free shares would vest.

The interim fulfillment rates are presented in section 6.5.4 c) of the 2020 Universal Registration Document, in the table entitled "Interim fulfillment of performance conditions under the November 13, 2020 performance share plan for the Managers".

#### 3.4.4.4 Fringe benefits, stock options and directors' or Supervisory Board members' compensation

In line with the 2020 Compensation Policy, in 2020 Yves Chapot did not receive (i) any compensation in his capacity as a member of the Supervisory Board of the Company or any controlled entities, (ii) any benefits other than those listed

above, or (iii) any stock options of the Company or any controlled entities.

Mr. Chapot has a fringe benefit in the form of a Company car (see the table in section 3.5.3).

#### 3.4.4.5 Pension benefits

There is no specific supplementary pension plan set up for the Managers or the Chairman of the Supervisory Board.

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).

As required by Article D. 225-29-3 of the French Commercial Code, this plan, governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code, is described below:

- ▶ as of their retirement date, participants must have served for at least five years as a senior executive to be eligible for benefits;
- ▶ 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). In accordance with the government order dated July 3, 2019, no rights have vested since December 31, 2019;
- ▶ 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 2020 in his capacity as executive officer was made up of his annual fixed compensation and his annual variable compensation.

Based on the assumptions in Article D. 225-29-3 of the French Commercial Code introduced by Decree No. 2019-1235, the estimated gross annual pension payable to Mr. Chapot under this plan amounts to €135,420.

The benefit represented by the Company's contributions to the plan is taxed at the rate of 24%. 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.

As Managing General Partner, Mr. Chapot participates in the "Article 83" mandatory pension plan in the same way as all employees of CGEM and MFPM.

#### 3.4.4.6 Compensation for loss of office

No compensation for loss of office was paid to Mr. Chapot in 2020<sup>(2)</sup>.

#### 3.4.4.7 Non-compete indemnity

No non-compete indemnity was paid to Mr. Chapot in 2020<sup>(2)</sup>.

(1) Due to the exceptional economic consequences of the Covid-19 crisis for the business in 2020, the effect of this indicator was neutralized in 2020 for employees, so that the criterion reflects the actual market situation post-Covid-19 and in order to continue to motivate the teams. No changes were made to the objectives applicable to the Managers.

(2) See detailed disclosures in section 3.7.1.13 of the 2019 Universal Registration Document.

### 3.4.5 COMPENSATION RATIOS OF THE MANAGERS AND THE CHAIRMAN OF THE SUPERVISORY BOARD

#### Background

The changes in management structure described below have affected the calculation of management compensation ratios:

- ▶ Florent Menegaux has been Managing General Partner since May 2018 and Managing Chairman since May 2019;
- ▶ Yves Chapot has been General Manager since May 2018;
- ▶ Michel Rollier has been Chairman of the Supervisory Board throughout the reporting period;
- ▶ Jean-Dominique Senard was Managing Chairman and General Partner during the reporting period, until May 2019.

Unlike the corporate officers of joint stock corporations, a Managing General Partner of the Company (which is organized as a partnership limited by shares), who may also be the Managing Chairman, has unlimited personal liability for the Company's debts in the event that the Company is unable to honor its commitments, and he can only be relieved of this liability by decision of the Extraordinary Shareholders Meeting. This exceptional liability justifies the payment of additional compensation.

The Company has very few employees (less than five, none of whom are executive directors), and none in the first half of 2020. The ratios of the Managers' pay and of the Supervisory Board Chairman's pay to that of the Company's employees are therefore not meaningful.

Accordingly, the Company has nonetheless chosen to disclose these ratios for its main French subsidiary, Manufacture Française des Pneumatiques Michelin, which employed over 90% of the Michelin Group's total workforce in France at December 31, 2020.

This subsidiary is engaged in manufacturing, sales, and research and development activities and also hosts the Michelin Group's corporate departments.

The calculation method and scope is the same as for the disclosures in the 2019 report, apart from the adjustments needed to adapt the table to the format in the new AFEP "Guidelines concerning compensation multiples" dated February 2021.

The two performance indicators selected at the level of the Michelin Group are the Total Sales and the Segment Operating Income ("SOI") excluding changes in exchange rates, which measures the performance of the Group's operating segments.

The ratios presented below have been calculated in such a way as to disclose information related to the function, in order to guarantee, as far as possible, the relevance and consistency of comparative information across the entire reporting period. They are based on the fixed and variable compensation paid during the years indicated to employees who were present throughout the year, as well as on the performance shares awarded in those years, measured at fair value.

## RATIOS PRESENTED IN APPLICATION OF ARTICLE L.22-10-9-I, PARAGRAPHS 6 AND 7, OF THE FRENCH COMMERCIAL CODE

	2020	2019	2018	2017	2016
<b>PERCENTAGE CHANGE IN THE COMPENSATION OF THE CHAIRMAN OF THE SUPERVISORY BOARD<sup>(1)</sup></b>	<b>28.7%</b>	<b>-2.7%</b>	<b>0.0%</b>	<b>32.4%</b>	-
Percentage change in the average compensation of employees	2.9%	2.9%	1.6%	4.6%	-
Ratio versus average employee compensation	<b>2.1</b>	1.7	1.8	1.8	1.4
Percentage change in the ratio versus the previous year	26.5%	-5.1%	-1.7%	26.2%	-
Ratio versus median employee compensation	<b>2.7</b>	2.1	2.3	2.3	1.8
Percentage change in the ratio versus the previous year	26.8%	-5.3%	-2.6%	27.6%	-
<b>PERCENTAGE CHANGE IN THE MANAGING CHAIRMAN'S COMPENSATION<sup>(2)(3)(4)(5)</sup></b>	<b>-37.6%</b>	<b>8.1%</b>	<b>15.0%</b>	<b>38.5%</b>	-
Percentage change in the average compensation of employees	2.9%	2.9%	1.6%	4.6%	-
Ratio versus average employee compensation	<b>47.1</b>	77.6	73.8	65.3	49.3
Percentage change in the ratio versus the previous year	-39.3%	5.1%	13.2%	32.4%	-
Ratio versus median employee compensation	<b>61.0</b>	99.8	94.8	84.7	63.4
Percentage change in the ratio versus the previous year	-38.9%	5.3%	12.0%	33.6%	-
<b>PERCENTAGE CHANGE IN THE GENERAL MANAGER'S COMPENSATION<sup>(3)(4)(5)</sup></b>	<b>33.0%</b>	<b>69.6%</b>	-	-	-
Percentage change in the average compensation of employees	2.9%	2.9%	1.6%	4.6%	-
Ratio versus average employee compensation	<b>25.1</b>	19.5	11.8	-	-
Percentage change in the ratio versus the previous year	29.0%	64.8%	-	-	-
Ratio versus median employee compensation	<b>32.6</b>	25.0	15.2	-	-
Percentage change in the ratio versus the previous year	30.2%	65.2%	-	-	-
<b>COMPANY PERFORMANCE<sup>(6)</sup></b>					
Growth in segment operating income (SOI) (excluding currency effect)	6.5%	11.0%	5.6%	9.5%	-
Growth in sales (excluding currency effect)	7.8%	4.1%	6.2%	0.4%	-

(1) The year-on-year change in the ratio is attributable to the decision to increase the total compensation payable to Supervisory Board members to €770,000, approved at the Annual Shareholders Meeting of May 17, 2019.

(2) Only information relating to the position of Managing Chairman and General Partner is presented given that the specific role of Managing General Partner was exercised over a limited period. Jean-Dominique Senard stepped down from his executive position in May 2019 and the compensation attributed in respect of his duties as Managing Chairman and General Partner is therefore not taken into account in 2020.

(3) The compensation paid to Managers for functions held during only part of the year (new Manager or Manager who was not replaced) has been annualized.

(4) Deferred long-term compensation paid to Managers who no longer held the positions concerned during the reporting period has not been taken into account.

(5) The reference amount for variable compensation granted in respect of 2020 includes the book value of performance share rights awarded to the Managers for the first time in 2020.

(6) To permit meaningful comparisons with the compensation paid in a given year, which depends to a significant extent on the prior year's results, the values taken into account.

### 3.4.6 PROPOSED RESOLUTION ON THE DISCLOSURES MENTIONED IN ARTICLE 22-10-9 OF THE FRENCH COMMERCIAL CODE

Since 2014, the General Partners and the Supervisory Board have submitted to the Annual Shareholders Meeting several proposed ordinary resolutions concerning the compensation paid or awarded to the Managers and the Chairman of the Supervisory Board.

In addition, since 2018, the Supervisory Board prepares each year, with the General Partners for the part concerning the Managers, the Compensation Policy applicable to the Managers and the Chairman of the Supervisory Board. This policy is included in the Supervisory Board's report on corporate governance.

The policy and the components of the compensation packages for 2020 will be presented to the upcoming Annual Shareholders Meeting by the Chair of the Compensation and Appointments Committee.

In the same way as in 2020, in application of French Act No. 2019-486 dated May 22, 2019 (the "PACTE Act") and other legal and regulatory provisions, at the Annual Shareholders

Meeting, the General Partners and the Supervisory Board will ask shareholders to approve the disclosures concerning the compensation paid in 2020 or awarded in respect of that year to the Managers and the Supervisory Board.

The resolution to be presented to the Annual Shareholders Meeting of May 21, 2021 concerning all the disclosures contained in sections 3.4.1 to 3.4.5, is set out below.

#### 8<sup>th</sup> resolution

##### Approval of the disclosures concerning the corporate officers' compensation packages

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77-I of the French Commercial Code, approves the disclosures mentioned in Article L. 22-10-9 of the Code, as presented in the Corporate Governance Report set out in sections 3.4.1 to 3.4.5 of the Company's 2020 Universal Registration Document.

### 3.5 INDIVIDUAL COMPENSATION PAID OR AWARDED TO THE MANAGERS AND THE CHAIRMAN OF THE SUPERVISORY BOARD FOR 2020

In addition to the resolution presented in section 3.4.6 above, the Annual Shareholders Meeting will be asked to adopt the following individual resolutions concerning the Chairman of the Supervisory Board and each of the Managers.

#### 3.5.1 VOTE BY SHAREHOLDERS AT THE ANNUAL MEETING OF MAY 21, 2021 ON THE COMPENSATION PACKAGE OF MICHEL ROLLIER, CHAIRMAN OF THE SUPERVISORY BOARD

This section presents the components of the compensation paid or awarded to Michel Rollier for 2020 in his capacity as Chairman of the Supervisory Board during the year. Michel Rollier joined the Managers by deciding to donate 25% of his 2019 compensation received in 2020 to a foundation which is part of the fight against Covid-19.

Compensation components put to the vote	Amounts paid in 2020:	Amounts awarded in respect of 2020:	Presentation
Compensation as Supervisory Board member	€112,800.00	€120,000.00	<p><b>The amount paid in 2020:</b></p> <ul style="list-style-type: none"> <li>▶ was awarded in respect of 2019 out of the total annual compensation allocated to the Supervisory Board by the Annual Shareholders Meeting of May 17, 2019 (12<sup>th</sup> resolution adopted by a majority of 99.15% of the votes cast);</li> <li>▶ was approved by the Annual Shareholders Meeting of June 23, 2020 (12<sup>th</sup> resolution adopted by a majority of 99.90% of the votes cast).</li> </ul> <p><b>The amount awarded in respect of 2020:</b></p> <ul style="list-style-type: none"> <li>▶ is included in the total annual amount decided by the Annual Shareholders Meeting of May 17, 2019;</li> <li>▶ has been determined in accordance with the 2020 Compensation Policy for the members of the Supervisory Board, as described in the 2019 Universal Registration Document (section 3.4.3) and approved by the Annual Shareholders Meeting of June 23, 2020 (7<sup>th</sup> resolution, adopted by a 99.75% majority of the votes cast).</li> </ul>
Annual variable compensation	N/A	N/A	N/A
Deferred variable compensation	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A
Stock options, performance shares and other long-term compensation (stock warrants, etc.)	N/A	N/A	N/A
Fringe benefits	N/A	N/A	N/A
Compensation for loss of office	N/A	N/A	N/A
Non-compete indemnity	N/A	N/A	N/A
Supplementary pension benefits	N/A	N/A	N/A

N/A: Not applicable.

At the Annual Meeting of May 21, 2021, shareholders will be asked to approve the following ordinary resolution:

### 12<sup>th</sup> resolution

#### Approval of the components of the compensation paid or awarded to Michel Rollier for the year ended December 31, 2020

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77 II of

the French Commercial Code, approves the fixed, variable and exceptional compensation making up the total compensation and fringe benefits paid during the year ended December 31, 2020 or awarded in respect of that year to Michel Rollier, Chairman of the Supervisory Board, as presented in the Corporate Governance Report set out in section 3.5.1 of the Company's 2020 Universal Registration Document.

## 3.5.2 VOTE BY SHAREHOLDERS AT THE ANNUAL MEETING OF JUNE 23, 2020 ON THE COMPENSATION PACKAGE OF FLORENT MENEGAUX, MANAGING CHAIRMAN AND GENERAL PARTNER

This section presents the components of the compensation paid or awarded to Florent Menegaux for 2020 in his capacity as Managing Chairman.

Compensation components put to the vote	Amounts paid in 2020:	Amounts awarded in respect of 2020 OR Provision set aside in 2020 OR Simulation	Presentation
<b>Fixed compensation</b>	€843,750.00	€900,000.00	The amount awarded in 2020: <ul style="list-style-type: none"> <li>▶ has been unchanged since Mr. Menegaux was elected by the Annual Shareholders Meeting of May 18, 2018; the amount paid was reduced by 25% during the approximately three months in 2020 when employees in France were furloughed due to Covid-19.</li> <li>▶ was determined in accordance with the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.3) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast).</li> </ul>
<b>Annual variable compensation</b>	€1,038,759.43 (Amount paid, after waiving part of the €1,344,345.91 awarded by CGEM in respect of 2019, in application of the 2019 Compensation Policy and the 9 <sup>th</sup> resolution of the Annual Shareholders Meeting of June 23, 2020 adopted by a 95.75% majority of the votes cast)	€581,161.00 (Amount that may be awarded in respect of 2020 in application of the 2020 Compensation Policy, payable in 2021)	<b>The amount paid in 2020</b> was reduced by 25% following Florent Menegaux's decision to waive part of his variable compensation due by CGEM (€1,344,345.91) for 2019 as a gesture of solidarity with Michelin Group employees and other stakeholders affected by the consequences of the Covid-19 health crisis. <b>The amount awarded in respect of 2020:</b> <ul style="list-style-type: none"> <li>▶ was determined in accordance with the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.4.1) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast);</li> <li>▶ is the subject of detailed disclosures in section 3.4.3.2 of this 2020 Universal Registration Document.</li> </ul>
<b>Deferred variable compensation</b>	N/A	N/A	N/A
<b>Exceptional compensation</b>	N/A	N/A	N/A

Compensation components put to the vote	Amounts awarded in respect of 2020 OR Provision set aside in		
	Amounts paid in 2020:	2020 OR Simulation	Presentation
<b>Stock options, performance shares and other long-term compensation (stock warrants, etc.)</b>	N/A	€673,051.63 (book value – determined in accordance with IFRS 2 – of the 12,012 performance share rights awarded in November 2020)	This award was made in application of: <ul style="list-style-type: none"> <li>▶ the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.4.2) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast);</li> <li>▶ the 25<sup>th</sup> resolution of the Annual Shareholders Meeting of June 23, 2020 (see pages 395 <i>et seq.</i> of the 2019 Universal Registration Document), adopted by a 97.02% majority of the votes cast.</li> </ul> This amount is the subject of detailed disclosures in section 3.4.3.3 of this 2020 Universal Registration Document.
<b>Compensation as a Director/Supervisory Board member</b>	N/A	N/A	N/A
<b>Fringe benefits</b>	€8,627.00	€8,627.00	Company car (accounting value)
<b>Compensation for loss of office</b>	No compensation paid	No compensation awarded	This component: <ul style="list-style-type: none"> <li>▶ is an integral part of the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.8) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast);</li> <li>▶ is the subject of detailed disclosures in section 3.6.1.12 of this 2020 Universal Registration Document.</li> </ul>
<b>Non-compete indemnity</b>	No indemnity paid	No indemnity awarded	This component: <ul style="list-style-type: none"> <li>▶ is an integral part of the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.9) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast);</li> <li>▶ is the subject of detailed disclosures in section 3.6.1.12 of this 2020 Universal Registration Document.</li> </ul>
<b>Supplementary pension benefits</b>	No benefits paid	No benefits awarded	This component: <ul style="list-style-type: none"> <li>▶ is an integral part of the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.7) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast);</li> <li>▶ is the subject of detailed disclosures in section 3.6.1.12 of this 2020 Universal Registration Document.</li> </ul>

N/A: Not applicable.

At the Annual Meeting of May 21, 2021, shareholders will be asked to approve the following ordinary resolution:

### 9<sup>th</sup> resolution

#### Approval of the components of the compensation paid or awarded to Florent Menegaux for the year ended December 31, 2020

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77 II of

the French Commercial Code, approves the fixed, variable and exceptional compensation making up the total compensation and fringe benefits paid during the year ended December 31, 2020 or awarded in respect of that year to Florent Menegaux, Managing General Partner and Managing Chairman, as presented in the Corporate Governance Report set out in section 3.5.2 of the Company's 2020 Universal Registration Document.

### 3.5.3 VOTE BY SHAREHOLDERS AT THE ANNUAL MEETING OF MAY 21, 2021 ON THE COMPENSATION PACKAGE OF YVES CHAPOT, GENERAL MANAGER

This section presents the components of the compensation paid or awarded to Yves Chapot for 2020 in his capacity as General Manager.

Compensation components put to the vote	Amounts paid in 2020:	Amounts awarded in respect of 2020 OR Provision set aside in 2020 OR Simulation	Presentation
<b>Fixed compensation</b>	€562,500.00	€600,000.00	The amount awarded in 2020: <ul style="list-style-type: none"> <li>▶ has been unchanged since Mr. Chapot was elected by the Annual Shareholders Meeting of May 18, 2018; the amount paid was reduced by 25% during the approximately three months in 2020 when employees in France were furloughed due to Covid-19;</li> <li>▶ was determined in accordance with the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.3) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast).</li> </ul>
<b>Annual variable compensation</b>	€348,776.14 (Amount paid, after waiving part of the €465,034.86 awarded in respect of 2019 in application of the 2019 Compensation Policy and the 10 <sup>th</sup> resolution of the Annual Shareholders Meeting of June 23, 2020 adopted by a 96.47% majority of the votes cast)	€516,900.00 (Amount that may be awarded in respect of 2020 in application of the 2020 Compensation Policy, payable in 2021)	<b>The amount paid in 2020</b> was reduced by 25% following Yves Chapot's decision to waive part of his variable compensation for 2019 as a gesture of solidarity with Michelin Group employees and other stakeholders affected by the consequences of the Covid-19 health crisis.  <b>The amount awarded in respect of 2020:</b> <ul style="list-style-type: none"> <li>▶ was determined in accordance with the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.4.1) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast);</li> <li>▶ is the subject of detailed disclosures in section 3.4.3.2 of this 2020 Universal Registration Document.</li> </ul>
<b>Deferred variable compensation</b>	N/A	N/A	N/A
<b>Exceptional compensation</b>	N/A	N/A	N/A
<b>Stock options, performance shares and other long-term compensation (stock warrants, etc.)</b>	N/A	€448,701.09 (book value – determined in accordance with IFRS 2 – of the 8,008 performance share rights awarded in November 2020)	This award was made in application of: <ul style="list-style-type: none"> <li>▶ the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.4.2) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast);</li> <li>▶ the 25<sup>th</sup> resolution of the Annual Shareholders Meeting of June 23, 2020 (see pages 395 <i>et seq.</i> of the 2019 Universal Registration Document), adopted by a 97.02% majority of the votes cast.</li> </ul> This amount is the subject of detailed disclosures in section 3.4.4.2 of this 2020 Universal Registration Document.
<b>Compensation as a Director/Supervisory Board member</b>	N/A	N/A	N/A

Compensation components put to the vote	Amounts paid in 2020:	Amounts awarded in respect of 2020 OR Provision set aside in 2020 OR Simulation	Presentation
<b>Fringe benefits</b>	€9,644.00	€9,644.00	Company car (accounting value)
<b>Compensation for loss of office</b>	No compensation paid	No compensation awarded	This component: <ul style="list-style-type: none"> <li>▶ is an integral part of the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.8) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast);</li> <li>▶ is the subject of detailed disclosures in section 3.6.1.12 of this 2020 Universal Registration Document.</li> </ul>
<b>Non-compete indemnity</b>	No indemnity paid	No indemnity awarded	This component: <ul style="list-style-type: none"> <li>▶ is an integral part of the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.9) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast);</li> <li>▶ is the subject of detailed disclosures in section 3.6.1.12 of this 2020 Universal Registration Document.</li> </ul>
<b>Supplementary pension benefits</b>	No benefits paid	No benefits awarded	This component: <ul style="list-style-type: none"> <li>▶ is an integral part of the 2020 Compensation Policy, as described in the 2019 Universal Registration Document (section 3.4.2.7) and approved by the Annual Shareholders Meeting of June 23, 2020 (6<sup>th</sup> resolution, adopted by a 93.91% majority of the votes cast);</li> <li>▶ is the subject of detailed disclosures in section 3.6.1.12 of this 2020 Universal Registration Document.</li> </ul>

*N/A: Not applicable.*

At the Annual Meeting of May 21, 2021, shareholders will be asked to approve the following ordinary resolution:

#### 10<sup>th</sup> resolution

#### Approval of the components of the compensation paid or awarded to Yves Chapot for the year ended December 31, 2020

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77-II of

the French Commercial Code, approves the fixed, variable and exceptional compensation making up the total compensation and fringe benefits paid during the year ended December 31, 2020 or awarded in respect of that year to Yves Chapot, General Manager, as presented in the Corporate Governance Report set out in section 3.5.3 of the Company's 2020 Universal Registration Document.



## 3.6 OTHER INFORMATION ABOUT COMPENSATION OF THE MANAGERS AND THE CHAIRMAN OF THE SUPERVISORY BOARD

### 3.6.1 SUMMARY INFORMATION CONCERNING THE MANAGERS AND THE CHAIRMAN OF THE SUPERVISORY BOARD

The data and tables in this section:

- ▶ present the compensation of the Managers and the Chairman of the Supervisory Board;
- ▶ have been prepared in accordance with the AFEP/MEDEF Code (January 2020);

- ▶ comply with AMF recommendation No. 2012-02 (revised) on “corporate governance and executive compensation in companies that refer to the AFEP/MEDEF Code – Consolidated presentation of the recommendations contained in the AMF’s annual reports”.

#### 3.6.1.1 Compensation, stock options and performance shares awarded to executive officers (in €) (based on Table 1 in the AFEP/MEDEF Code)

Florent Menegaux, Managing General Partner and Managing Chairman with unlimited personal liability for the Company’s debts	2020	2019
Compensation awarded for the year	1,489,788.00	2,252,972.91
Value of stock options granted during the year	0	0
Value of performance shares granted during the year	673,051.63 <sup>(1)</sup>	0
Value of other long-term compensation plans	0	172,122.00 <sup>(2)</sup>
<b>TOTAL</b>	<b>2,162,839.63</b>	<b>2,425,094.91</b>
Reference CGEM consolidated net income	625,441,868.00	1,730,043,108.00

(1) Book value (IFRS 2) at December 31, 2020 of the performance share award described in section 3.4.3.3 of this 2020 Universal Registration Document.

(2) Simulation at December 31, 2020 of the long-term incentive bonus not covered by a provision in the Company’s accounts and described in section 3.6.2.1 of this 2020 Universal Registration Document.

Yves Chapot, General Manager	2020	2019
Compensation awarded for the year	1,126,544.00	1,074,287.86
Value of stock options granted during the year	0	0
Value of performance shares granted during the year	448,701.09 <sup>(1)</sup>	0
Value of other long-term compensation plans	0	86,000.00 <sup>(2)</sup>
<b>TOTAL</b>	<b>1,575,245.09</b>	<b>1,160,287.86</b>

(1) Book value (IFRS 2) at December 31, 2020 of the performance share award described in section 3.4.4.3 of this 2020 Universal Registration Document.

(2) Simulation at December 31, 2020 of the long-term incentive bonus described in section 3.6.2.2 of this 2020 Universal Registration Document.

### 3.6.1.2 Compensation paid and awarded to Florent Menegaux (in €) (based on Table 2 in the AFEP/MEDEF Code)

Florent Menegaux, Managing General Partner and Managing Chairman with unlimited personal liability for the Company's debts	2020		2019	
	Awarded	Paid	Awarded	Paid
Fixed compensation <sup>(1)</sup>	900,000.00	843,750.00 <sup>(2)</sup>	900,000.00	900,000.00
Annual variable compensation	581,161.00 <sup>(3)</sup>	1,038,759.43 <sup>(4)</sup>	1,344,345.91 <sup>(5)</sup>	668,479.00
Exceptional compensation	0	0	0	0
Compensation as a Director/Supervisory Board member	0	0	0	0
Fringe benefit (car)	8,627.00	8,627.00	8,627.00	8,627.00
<b>TOTAL</b>	<b>1,489,788.00</b>	<b>1,891,136.43</b>	<b>2,252,972.91</b>	<b>1,577,106.00</b>
Reference CGEM consolidated net income	625,441,868.00	1,730,043,108.00	1,730,043,108.00	1,659,627,524.00

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

(2) After the agreed upon Covid-19-related reduction.

(3) Gross amount, calculated based on the achievement rate for the applicable performance criteria, subject to approval of the corresponding resolutions by CGEM shareholders at the Annual Meeting of May 21, 2021 (see section 3.5.2).

(4) After reduction decided due to the consequences of the Covid-19 crisis; including statutory Profit Share for a gross amount of €30,500 paid by Compagnie Financière Michelin SA (CFM) for Florent Menegaux's services as Manager and General Partner of CFM, which are entirely variable to the extent that they depend on CFM's net income for 2019.

(5) Gross amount, calculated based on the achievement rate for the applicable performance criteria, before the 25% Covid-19-related reduction in the amount due by CGEM, and approved by CGEM shareholders at the Annual Meeting of June 23, 2020..

### 3.6.1.3 Compensation paid and awarded to Yves Chapot (in €) (based on Table 2 in the AFEP/MEDEF Code)

Yves Chapot, General Manager	2020		2019	
	Awarded	Paid	Awarded	Paid
Fixed compensation	600,000.00	562,500.00 <sup>(2)</sup>	600,000.00	600,000.00
Annual variable compensation	516,900.00 <sup>(1)</sup>	348,776.14 <sup>(2)</sup>	465,034.86 <sup>(3)</sup>	263,763.00
Exceptional compensation	0	0	0	0
Compensation as a Director/Supervisory Board member	0	0	0	0
Fringe benefit (car)	9,644.00	9,644.00	9,253.00	9,253.00
<b>TOTAL</b>	<b>1,126,544.00</b>	<b>920,920.14</b>	<b>1,074,287.86</b>	<b>873,016.00</b>

(1) Gross amount, calculated based on the achievement rate for the applicable performance criteria, subject to approval of the corresponding resolutions by CGEM shareholders at the Annual Meeting of May 21, 2021 (see section 3.5.3).

(2) After reduction decided due to the consequences of the Covid-19 crisis.

(3) Gross amount, calculated based on the achievement rate for the applicable performance criteria, before the 25% Covid-19-related reduction, and approved by CGEM shareholders at the Annual Meeting of June 23, 2020.

### 3.6.1.4 Compensation received by the non-executive members of the Supervisory Board (based on Table 3 in the AFEP/MEDEF Code)

Supervisory Board members	2020 <sup>(1)</sup>		2019 <sup>(1)</sup>	
	Amount awarded (in €)	Amount paid (in €)	Amount awarded (in €)	Amount paid (in €)
Olivier Bazil <sup>(2)</sup>	35,500	80,000	80,000	63,278
Barbara Dalibard	80,000	90,000	90,000	63,278
Jean-Pierre Duprieu	62,500	60,000	60,000	53,543
Aruna Jayanthi	70,000	70,000	70,000	63,278
Anne-Sophie de La Bigne	65,000	71,250	71,250	63,278
Patrick de La Chevadière <sup>(3)</sup>	44,500	N/A	N/A	N/A
Jean-Christophe Laourde <sup>(4)</sup>	9,000	N/A	N/A	N/A
Thierry Le Hénaff	68,330	56,727	56,727	22,488
Monique Leroux	80,000	70,000	70,000	60,357
Cyrille Poughon <sup>(5)</sup>	47,250	60,000	60,000	53,543
Michel Rollier	120,000	112,800	112,800	87,615
Delphine Roussy <sup>(4)</sup>	9,000	N/A	N/A	N/A
Jean-Michel Severino <sup>(6)</sup>	17,750	N/A	N/A	N/A
<b>TOTAL</b>	<b>708,830<sup>(7)</sup></b>	<b>670,777<sup>(8)</sup></b>	<b>670,777<sup>(8)</sup></b>	<b>554,992<sup>(9)</sup></b>

(1) The compensation indicated consists solely of fixed compensation for services as Supervisory Board member. No variable compensation was paid for these services and no other compensation was awarded or paid.

(2) Supervisory Board member until June 2020.

(3) Supervisory Board member since June 2020.

(4) Supervisory Board member since December 2020.

(5) Supervisory Board member until October 2020.

(6) Supervisory Board member since November 2020.

(7) The amounts awarded in respect of 2020 have been determined in application of the 2020 Supervisory Board Compensation Policy approved by the Annual Shareholders Meeting of June 23, 2020 (7<sup>th</sup> resolution adopted by a majority of 99.75% of the votes cast).

(8) The amounts paid in 2020 were awarded in respect of 2019 out of the total annual compensation of €770,000 decided by the Annual Shareholders Meeting of May 17, 2019 (12<sup>th</sup> resolution adopted by a majority of 99.15% of the votes cast). The Chairman and independent members of the Supervisory Board joined the Managers by deciding to donate 25% of their compensation to foundations in their respective countries, which are part of the fight against Covid-19.

(9) Including €24,338 paid to Pat Cox for his services as Supervisory Board member until May 2018.

### 3.6.1.5 Stock options granted during the year to executive officers by the issuer and any other Group company (based on Table 4 in the AFEP/MEDEF Code)

No stock options were granted by the Company to the executive officers during the year.

No stock options have been granted to the Managers since 2012.

	Plan no. and date	Type of options (purchase or subscription)	Value of the options calculated by the method used for the consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
Florent Menegaux	-	-	0	0	-	-
Yves Chapot	-	-	0	0	-	-

### 3.6.1.6 Stock options exercised during the year by executive officers (based on Table 5 in the AFEP/MEDEF Code)

No stock options were exercised by the Company's executive officers in 2020.

	Plan no. and date	Number of options exercised during the year	Exercise price
Florent Menegaux	-	0	-
Yves Chapot	-	0	-

### 3.6.1.7 Performance shares granted during the year to the executive officers by the issuer and any other Group company (based on Table 6 in the AFEP/MEDEF Code)<sup>(1)</sup>

20,020 of the 506,236 performance share rights given on November 13, 2020 pursuant to the authorization given at the June 23, 2020 Annual Shareholders Meeting were granted to the Managers.

	Plan no. and date	Number of performance share rights granted during the year	Value of the performance shares calculated by the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Florent Menegaux	Plan 12 of November 13, 2020	12,012	€673,051.63	November 13, 2024	November 13, 2024	See section 6.5.4 c) for details
Yves Chapot	Plan 12 of November 13, 2020	8,008	€448,701.09	November 13, 2024	November 13, 2024	See section 6.5.4 c) for details

### 3.6.1.8 Performance shares granted to executive officers for which the lock-up period ended during the year (based on Table 7 in the AFEP/MEDEF Code)<sup>(2)</sup>

	Plan no. and date	Number of performance shares for which the lock-up period ended during the year	Vesting conditions
Florent Menegaux	Plan 7 (Excellence Management) dated November 25, 2016 (performance shares granted in his capacity as an employee of a Group company, prior to becoming a corporate officer)	6,583	The performance condition achievement rates are disclosed in section 6.5.4 c) of this 2020 Universal Registration Document.
Yves Chapot	Plan 7 (Excellence Management) dated November 25, 2016 (performance shares granted in his capacity as an employee of a Group company, prior to becoming a corporate officer)	4,388	The performance condition achievement rates are disclosed in section 6.5.4 c) of this 2020 Universal Registration Document.

### 3.6.1.9 Past awards of stock options – Information about stock options (based on Table 8 in the AFEP/MEDEF Code)

See the table in section 6.5.3 a).

### 3.6.1.10 Past awards of performance shares - Information about performance shares (based on Table 9 in the AFEP/MEDEF Code)

See the table in section 6.5.4 a).

### 3.6.1.11 Deferred variable compensation awarded to executive officers (based on Table 10 in the AFEP/MEDEF Code)

See the table in section 3.6.2 below.

(1) Detailed information is provided in section 6.5.4 c) Interim fulfillment of performance conditions under the November 13, 2020 performance share plan for the Managers.

(2) Detailed information is provided in section 6.5.4 c) Fulfillment of performance conditions under the November 25, 2016 performance share plan.

### 3.6.1.12 Managers' employment contracts, supplementary pension benefits and other benefits (based on Table 11 in the AFEP/MEDEF Code)

	Employment contract		Supplementary pension benefits		Benefits or advantages due or likely to be due as a result of terminations or changes of office		Non-compete indemnity	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>Executive officer</b>								
<b>Florent Menegaux</b>								
Position: Managing Chairman and Managing General Partner								
Start date of term of office: 2018								
Expiration of term of office: 2022		X <sup>(1)</sup>	X <sup>(2)</sup>		X <sup>(3)</sup>		X <sup>(4)</sup>	
<b>Yves Chapot</b>								
Position General Manager								
Start date of term of office: 2018								
Expiration of term of office: 2022	X <sup>(5)</sup>		X <sup>(2)</sup>		X <sup>(3)</sup>		X <sup>(6)</sup>	

(1) Florent Menegaux resigned from the position that was the subject of his pre-existing employment contract.

(2) Defined benefit pension plan set up for senior executives of MFPM and CGEM. For detailed explanations, see sections 3.4.3.5 and 3.4.4.5. In accordance with Government Order No. 2019-697 dated July 3, 2019, the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan) has been closed to new members since July 4, 2019 and the vesting period was frozen at December 31, 2019.

(3) Benefit defined in the CGEM Bylaws:

- set by the Non-Managing General Partner with the endorsement of the Supervisory Board;
- only payable in the event of forced departure due to a change of strategy or of control;
- capped at two years' fixed and variable compensation (this cap includes any other benefits payable on termination of office such as a non-compete indemnity);
- subject to performance conditions (see section 3.3.2.8).

(4) Indemnity payable in his capacity as an executive officer of MFPM:

- with the possibility for the Supervisory Board to waive implementation of the non-compete clause;
- capped at 24 months' worth of the most recent fixed compensation paid to him by MFPM;
- deducted, where appropriate, from the cap equal to two years' fixed and variable compensation, applicable to all benefits payable on termination of office, including the compensation for loss of office payable in the event of a forced departure due to a change in the Company's strategy or control (for detailed explanations, see section 3.4.2.9).

In accordance with Article R.22-10-40-III of the French Commercial Code, the non-compete indemnity would not be payable if the person concerned retired on leaving the Group.

(5) Suspended employment contract with MFPM.

(6) Indemnity payable under his suspended employment contract with MFPM:

- with the possibility for the Supervisory Board to waive implementation of the non-compete clause;
- capped at 24 months' worth of the most recent aggregate compensation paid to him by MFPM;
- deducted, where appropriate, from the cap equal to two years' fixed and variable compensation applicable to all termination benefits, including compensation for loss of office payable in the event of a forced departure due to a change in the Company's strategy or control (for detailed explanations, see section 3.3.2.9).

In accordance with Article R.22-10-40-III of the French Commercial Code, the non-compete indemnity would not be payable if Yves Chapot retired on leaving the Group.

## 3.6.2 LONG-TERM INCENTIVE BONUSES AWARDED TO EXECUTIVE OFFICERS IN RESPECT OF PERIODS PRIOR TO 2020

### 3.6.2.1 Long-term incentive bonuses awarded to Florent Menegaux in respect of periods prior to 2020

#### Cash-settled long-term incentive bonus awarded in 2018

This compensation awarded for 2018 was presented at the Annual Shareholders Meeting of May 17, 2019 and was approved by a majority of 98.29% of the votes cast (7<sup>th</sup> resolution).

Criteria	Growth in the Michelin share price compared with that of the CAC 40 index over the 2018-2020 period <sup>(2)</sup>	Michelin Environmental Footprint (as measured by the MEF indicator) <sup>(1)</sup>	Employee engagement rate (as measured by the annual "Moving Forward Together" survey)	Growth in consolidated operating income (in € millions, before non-recurring items, at constant exchange rates and accounting methods)
Type	Financial performance	Environmental and CSR performance	Environmental and CSR performance	Business performance
Weighting	35%	15%	15%	35%
Maximum objective	If the gain in Michelin's share price is at least 15 points more than the gain in the CAC 40, the achievement rate will be 100% and the maximum 35% of the maximum potential bonus will be received	If the average MEF over three years is less than 51, the achievement rate will be 100% and the maximum 15% of the maximum potential bonus will be received	If the average engagement rate exceeds 80%, the achievement rate will be 100% and the maximum 15% of the maximum potential bonus will be received	If average annual growth in operating income exceeds €150 million, the achievement rate will be 100% and the maximum 35% of the maximum potential bonus will be received
Target objective	If the gain in Michelin's share price is between 0 and 15 points more than the gain in the CAC 40, the result will be: (gain in the Michelin share price - gain in the CAC 40 index) x (35%/15)	If the average MEF over three years is between 51 and 53, the result will be: (53 - average MEF)/(53 - 51)* 15%	If the average engagement rate is between 77% and 80%, the result will be: (average engagement rate - 77%)/(80% - 77%)* 15%	If average annual growth in operating income is between €70 million and €150 million, the result will be: (operating income - €70 million)/(€150 million - €70 million)* 15%
Trigger point	If the gain in Michelin's share price is less than the gain in the CAC 40, the achievement rate will be 0%	If the average MEF over three years is more than 53, the indicator will be 0%	If the average engagement rate is less than 77%, the indicator will be 0%	If average annual growth in operating income is less than €150 million, the indicator will be 0%
Actual indicator	Growth in the Michelin share price <sup>(2)</sup> = -18.90% Growth in the CAC 40 <sup>(2)</sup> = -3.20% The average engagement rate is -15.70%, giving an achievement rate of 0% out of 35% for this criterion	2018 = 49.3 2019 = 48.8 2020 = 48.9 The average MEF is 49 giving an achievement rate of 15% out of 15% for this criterion	2018 = 80% 2019 = 81% 2020 = 83% The average engagement rate is 81.3%, giving an achievement rate of 15% out of 15% for this criterion	2018 = +€289 million 2019 = +€43 million 2020 = -€974 million The growth differential is a negative €214 million, giving an achievement rate of 0% out of 35% for this criterion
Base amount	€720,000.00			
Cap and eligibility conditions	<ul style="list-style-type: none"> <li>▶ Capped at 150% of 5/6<sup>ths</sup> of the annual average of the annual variable compensation paid to Mr. Menegaux for 2018, 2019 and 2020 (sum of the payments divided by 2.5)</li> <li>▶ Subject to the availability and amount of Profit Share for distribution in 2021 out of 2020 profit, after deducting annual variable compensation due for 2020</li> </ul>			
Payment year	2021			
Amount due	€180,000.00 (rounded): after prorating the amount obtained after applying the performance criteria to the Base to take account of the time served during the 2018-2020 period (by half-year periods), by taking 5/6 <sup>ths</sup> of the said amount.			
Commitment	Commitment to invest in Michelin shares 20% of the long-term incentive bonus received at the end of the three-year period and to retain these shares for as long as Mr. Menegaux remains in office, after which the shares may be sold on a phased basis over four years			

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

(2) Average share price for the second half of 2020 compared to the average share price for the second half of 2017.

Based on the characteristics of this long-term incentive bonus and the achievement rates for the bonus criteria observed by the Compensation and Appointments Committee (see above table), the Supervisory Board noted that the gross long-term incentive bonus amounted to €180,000.00 (before withholding tax). This bonus will be payable in 2021 after the 2020 financial statements have been approved by the Annual Shareholders Meeting of May 21, 2021.

Mr. Menegaux is committed to investing 20% of the incentive bonus in Michelin shares, which he will continue to hold for as long as he remains in office, with any subsequent sales to be carried out on a phased basis over four years.

### Cash-settled long-term incentive bonus awarded in 2019

This compensation awarded for 2019 was presented at the Annual Shareholders Meeting of June 23, 2020 and approved by a majority of 95.75% of the votes cast (9<sup>th</sup> resolution).

Criteria	Growth in the Michelin share price compared with that of the CAC 40 index over the 2019-2021 period	Miche Environmental Footprint (as measured by the MEF indicator) <sup>(1)</sup>	Change in the Employee Engagement Rate (as measured by the annual "Moving Forward Together" survey)	Growth in Segment Operating Income (SOI), in € millions (based on current business scope and comparable accounting methods, excluding changes in exchange rates)
Type	Financial performance	Environmental and CSR performance	Environmental and CSR performance	Business performance
Weighting (as a % of the Profit Share)	11%	4%	4%	11%
Calculation method	Average of the share prices for the second half of 2018 compared to the average of the share prices for the second half of 2021 (closing prices quoted on Euronext Paris)	Average decrease in the indicator between 2018/2019, 2019/2020 and 2020/2021	Average growth in the indicator between 2018/2019, 2019/2020 and 2020/2021	Average growth in the indicator between 2018/2019, 2019/2020 and 2020/2021
Maximum objective	If the gain in Michelin's share price is at least 15 points more than the gain in the CAC 40, the achievement rate will be 100% and the maximum 11% of the maximum potential bonus will be received	If the change in average MEF over three years is less than -1.5 pts, the achievement rate will be 100% and the maximum 4% of the maximum potential bonus will be received	If the improvement in the average engagement rate exceeds 1.5 pts, the achievement rate will be 100% and the maximum 4% of the maximum potential bonus will be received	If average annual growth in Segment Operating Income exceeds €200 million, the achievement rate will be 100% and the maximum 11% of the performance shares for this objective will vest
Target objective	If the gain in Michelin's share price is between 0 and 15 points more than the gain in the CAC 40, the result will be: (gain in the Michelin share price - gain in the CAC 40 index) x (11%/15)	If the change in average MEF over three years is between -1.1 pts and -1.5 pts, the target will be partly achieved and 3% of the maximum potential bonus will be received  If the change in average MEF over three years is between -0.5 pts and -1.0 pts, the target will be partly achieved and 1.5% of the maximum potential bonus will be received	If the improvement in the average engagement rate is between 0.1 pts and 1.5 pts, the target will be partly achieved and the bonus will be determined on a straight line basis	If the average growth in Segment Operating Income is between €100 million and €200 million, the target will be partly achieved and the bonus will be determined on a proportionate basis

Criteria	Growth in the Michelin share price compared with that of the CAC 40 index over the 2019-2021 period	Miche Environmental Footprint (as measured by the MEF indicator) <sup>(1)</sup>	Change in the Employee Engagement Rate (as measured by the annual "Moving Forward Together" survey)	Growth in Segment Operating Income (SOI), in € millions (based on current business scope and comparable accounting methods, excluding changes in exchange rates)
Trigger point	If the gain in Michelin's share price is less than the gain in the CAC 40, the achievement rate will be 0%	If the change in average MEF over three years exceeds -0.5 pts, the target will not be met	If the improvement in the average engagement rate is less than 0.1 pts, the target will not be met	If average annual growth in Segment Operating Income is less than €100 million, the target will not be met
Intermediate assessment	Growth in the Michelin share price <sup>(2)</sup> = -1.10% Growth in the CAC 40 <sup>(2)</sup> = -1.90%	2019 = -0.5 pts 2020 = +0.1 pts	2019 = +1.0 pts 2020 = +2 pts	2019 = +€163 million 2020 = -€1,006 million
Simulated result	€172,122 <sup>(3)</sup>			
Base amount	Profit Share payable out of distributable income for 2021			
Cap and eligibility conditions	<ul style="list-style-type: none"> <li>▶ Capped at 2.5x annual fixed compensation for 2019, i.e., €2,250,000 (indicative amount)</li> <li>▶ Subject to the availability and amount of Profit Share for distribution in 2022 out of 2021 profit, after deducting annual variable compensation due for 2021</li> </ul>			
Payment year	2022			
Commitment	Commitment to invest in Michelin shares 20% of the long-term incentive bonus received at the end of the three-year period and to retain these shares for as long as Mr. Menegaux remains in office, after which the shares may be sold on a phased basis over four years			

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

(2) Average share price for the second half of 2018 compared to the average share price for the second half of 2020.

(3) Simulation prepared for information purposes only (no provision has been recorded in the accounts), using the following assumptions:

- amount of Profit Shares due in respect of 2021 income (Calculation Base) identical to the amount of Profit Share due for 2020;
- results of the four performance indicators over the three-year calculation period equal to the change in these indicators in the first two years of this period (2019-2020).



### 3.6.2.2 Long-term incentive bonuses awarded to Yves Chapot in respect of periods prior to 2020

#### Cash-settled long-term incentive bonus awarded in 2018

This compensation awarded for 2018 was presented at the Annual Shareholders Meeting of May 17, 2019 and was approved by a majority of 98.30% of the votes cast (8<sup>th</sup> resolution).

Criteria	Growth in the Michelin share price compared with that of the CAC 40 index over the 2018-2020 <sup>(1)</sup> period	Michelin Environmental Footprint (as measured by the MEF indicator) <sup>(2)</sup>	Employee engagement rate (as measured by the annual "Moving Forward Together" survey)	Growth in consolidated operating income (in € millions, before non-recurring items, at constant exchange rates and accounting methods)
Type	Financial performance	Environmental and CSR performance	Environmental and CSR performance	Business performance
Weighting	35%	15%	15%	35%
Maximum objective	If the gain in Michelin's share price is at least 15 points more than the gain in the CAC 40, the achievement rate will be 100% and the maximum 35% of the maximum potential bonus will be received	If the average MEF over three years is less than 51, the achievement rate will be 100% and the maximum 15% of the maximum potential bonus will be received	If the average engagement rate exceeds 80%, the achievement rate will be 100% and the maximum 15% of the maximum potential bonus will be received	If average annual growth in operating income exceeds €150 million, the achievement rate will be 100% and the maximum 35% of the maximum potential bonus will be received
Target objective	If the gain in Michelin's share price is between 0 and 15 points more than the gain in the CAC 40, the result will be: (gain in the Michelin share price - gain in the CAC 40 index) x (35%/15)	If the average MEF over three years is between 51 and 53, the result will be: (53 - average MEF)/(53 - 51)*15%	If the average engagement rate is between 77% and 80%, the result will be: (average engagement rate - 77%)/(80% - 77%)*15%	If average annual growth in operating income is between €70 million and €150 million, the result will be: (operating income - €70 million)/(€150 million - €70 million)*15%
Trigger point	If the gain in Michelin's share price is less than the gain in the CAC 40, the achievement rate will be 0%	If the average MEF over three years is more than 53, the indicator will be 0%	If the average engagement rate is less than 77%, the indicator will be 0%	If average annual growth in operating income is less than €150 million, the indicator will be 0%
Actual indicator	Growth in the Michelin share price <sup>(2)</sup> = -18.90% Growth in the CAC 40 <sup>(2)</sup> = -3.20% The average engagement rate is -15.70%, giving an achievement rate of 0% out of 35% for this criterion	2018 = 49.3 2019 = 48.8 2020 = 48.9 The average MEF is 49 giving an achievement rate of 15% out of 15% for this criterion	2018 = 80% 2019 = 81% 2020 = 83% The average engagement rate is 81.3%, giving an achievement rate of 15% out of 15% for this criterion	2018 = +€289 million 2019 = +€43 million 2020 = -€974 million The growth differential is a negative €214 million, giving an achievement rate of 0% out of 35% for this criterion
Base amount	€600,000.00			
Ceiling	Capped at 120% of 5/6 <sup>ths</sup> of the annual average of the annual variable compensation paid to Mr. Chapot for 2018, 2019 and 2020 (sum of the payments divided by 2.5)			
Amount due	€150,000.00 (rounded): after prorating the amount obtained after applying the performance criteria to the Base to take account of the time served during the 2018-2020 period (by half-year periods), by taking 5/6 <sup>ths</sup> of the said amount.			
Payment year	2021			

(1) Average share price for the second half of 2020 compared to the average share price for the second half of 2017.

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

Based on the characteristics of this long-term incentive bonus and the achievement rates for the bonus criteria observed by the Compensation and Appointments Committee (see above table), the Supervisory Board noted that the gross long-term

incentive bonus amounted to €150,000.00 (rounded, before withholding tax). This bonus will be payable in 2021 after the 2020 financial statements have been approved by the Annual Shareholders Meeting of May 21, 2021.

## Cash-settled long-term incentive bonus awarded in 2019

This compensation awarded for 2019 was presented at the Annual Shareholders Meeting of June 23, 2020 and was approved by a majority of 96.47% of the votes cast (10<sup>th</sup> resolution).

Criteria	Growth in the Michelin share price compared with that of the CAC 40 index over the 2019-2021 period	Michelin Environmental Footprint (as measured by the MEF indicator) <sup>(1)</sup>	Change in the Employee Engagement Rate (as measured by the annual "Moving Forward Together" survey)	Growth in Segment Operating Income (SOI), in € millions (based on current business scope and comparable accounting methods, excluding changes in exchange rates)
Type	Financial performance	Environmental and CSR performance	Environmental and CSR performance	Business performance
Weighting	35%	15%	15%	35%
Calculation method	Average of the share prices for the second half of 2018 compared to the average of the share prices for the second half of 2021 (closing prices quoted on Euronext Paris)	Average decrease in the indicator between 2018/2019, 2019/2020 and 2020/2021	Average growth in the indicator between 2018/2019, 2019/2020 and 2020/2021	Average growth in the indicator between 2018/2019, 2019/2020 and 2020/2021
Maximum objective	If the gain in Michelin's share price is at least 15 points more than the gain in the CAC 40, the achievement rate will be 100% and the maximum 35% of the maximum potential bonus will be received	If the change in average MEF over three years is less than -1.5 pts, the achievement rate will be 100% and the maximum 15% of the maximum potential bonus will be received	If the improvement in the average engagement rate exceeds 1.5 pts, the achievement rate will be 100% and the maximum 15% of the maximum potential bonus will be received	If average annual growth in Segment Operating Income exceeds €200 million, the achievement rate will be 100% and the maximum 35% of the performance shares for this objective will vest.
Target objective	If the gain in Michelin's share price is between 0 and 15 points more than the gain in the CAC 40, the result will be: (gain in the Michelin share price - gain in the CAC 40 index) x (35%/15)	If the change in average MEF over three years is between -1.1 pts and -1.5 pts, the target will be partly achieved and 10% of the maximum potential bonus will be received If the change in average MEF over three years is between -0.5 pts and -1.0 pts, the target will be partly achieved and 5% of the maximum potential bonus will be received	If the improvement in the average engagement rate is between 0.1 pts and 1.5 pts, the target will be partly achieved and the bonus will be determined on a straight line basis	If the average growth in Segment Operating Income is between €100 million and €200 million, the target will be partly achieved and the bonus will be determined on a proportionate basis
Trigger point	If the gain in Michelin's share price is less than the gain in the CAC 40, the achievement rate will be 0%	If the change in average MEF over three years exceeds -0.5 pts, the achievement rate will be 0%	If the improvement in the average engagement rate is less than 0.1 pts, the achievement rate will be 0%	If average annual growth in Segment Operating Income is less than €100 million, the achievement rate will be 0%
Intermediate assessment	Growth in the Michelin share price <sup>(2)</sup> = -1.10% Growth in the CAC 40 <sup>(2)</sup> = -1.90%	2019 = -0.5 pts 2020 = +0.1 pts	2019 = +1.0 pts 2020 = +2 pts	2019 = +€163 million 2020 = -€1,006 million
Provision <sup>(3)</sup>	Provision set aside of €86,000 at December 31, 2020: ▶ €67,000 (theoretical net amount payable) ▶ €19,000 (payroll taxes)			
Simulated result	€101,200 <sup>(4)</sup>			
Base amount	€600,000 (2019 fixed compensation)			
Ceiling	120% of the annual average of the annual variable compensation paid to Mr. Chapot for 2019, 2020 and 2021			
Payment year	2022			

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

(2) Average share price for the second half of 2018 compared to the average share price for the second half of 2020.

(3) Provision estimated based on the assumption that the results of the performance indicators over the three-year calculation period is equal to the change in these four indicators in the first two years of this period (2019 and 2020).

(4) Simulation based on the assumption that the results of the four performance indicators over the three-year calculation period is equal to the change in these indicators in the first two years of this period (2019 and 2020).

### 3.6.2.3 Long-term incentive bonus awarded to Jean-Dominique Senard in his capacity as Managing Chairman and General Partner for the years prior to 2020

#### Cash-settled long-term incentive bonus awarded in 2018

This compensation awarded for 2018 was presented at the Annual Shareholders Meeting of May 17, 2019 and was approved by a majority of 96.75% of the votes cast (6<sup>th</sup> resolution).

Criteria	Growth in the Michelin share price compared with that of the CAC 40 index over the 2018-2020 <sup>(1)</sup> period	Michelin Environmental Footprint (as measured by the MEF indicator) <sup>(2)</sup>	Employee engagement rate (as measured by the annual "Moving Forward Together" survey)	Growth in consolidated operating income (in € millions, before non-recurring items, at constant exchange rates and accounting methods)
Type	Financial performance	Environmental and CSR performance	Environmental and CSR performance	Business performance
Weighting	35%	15%	15%	35%
Maximum objective	If the gain in Michelin's share price is at least 15 points more than the gain in the CAC 40, the achievement rate will be 100% and the maximum 35% of the maximum potential bonus will be received	If the average MEF over three years is less than 51, the achievement rate will be 100% and the maximum 15% of the maximum potential bonus will be received	If the average engagement rate exceeds 80%, the achievement rate will be 100% and the maximum 15% of the maximum potential bonus will be received	If average annual growth in operating income exceeds €150 million, the achievement rate will be 100% and the maximum 35% of the maximum potential bonus will be received
Target objective	If the gain in Michelin's share price is between 0 and 15 points more than the gain in the CAC 40, the result will be: (gain in the Michelin share price - gain in the CAC 40 index) x (35%/15)	If the average MEF over three years is between 51 and 53, the result will be: (53 - average MEF)/(53 - 51)*15%	If the average engagement rate is between 77% and 80%, the result will be: (average engagement rate - 77%)/(80% - 77%)*15%	If average annual growth in operating income is between €70 million and €150 million, the result will be: (operating income - €70 million)/(€150 million - €70 million)*15%
Trigger point	If the gain in Michelin's share price is less than the gain in the CAC 40, the achievement rate would be 0%	If the average MEF over three years is more than 53, the indicator will be 0%	If the average engagement rate is less than 77%, the indicator will be 0%	If average annual growth in operating income is less than €150 million, the indicator will be 0%
Actual indicator	Growth in the Michelin share price <sup>(2)</sup> = -18.90% Growth in the CAC 40 <sup>(2)</sup> = -3.20% The average engagement rate is -15.70%, giving an achievement rate of 0% out of 35% for this criterion	2018 = 49.3 2019 = 48.8 2020 = 48.9 The average MEF is 49 giving an achievement rate of 15% out of 15% for this criterion	2018 = 80% 2019 = 81% 2020 = 83% The average engagement rate is 81.3%, giving an achievement rate of 15% out of 15% for this criterion	2018 = +€289 million 2019 = +€43 million 2020 = -€974 million The growth differential is a negative €214 million, giving an achievement rate of 0% out of 35% for this criterion
Base amount	€1,080,000.00			
Cap and eligibility conditions	<ul style="list-style-type: none"> <li>▶ Capped at 150% of 3/6<sup>ths</sup> of the annual average of the annual variable compensation paid to Mr. Senard for 2018 and 2019 (sum of the payments divided by 1.5)</li> <li>▶ Subject to the availability and amount of Profit Share for distribution in 2021 out of 2020 profit, after deducting annual variable compensation due for 2020</li> </ul>			
Amount due	€162,000.00 (rounded): after prorating the amount obtained after applying the performance criteria to the Base to take account of the time served during the 2018-2020 period (by half-year periods), by taking 3/6 <sup>ths</sup> of the said amount			
Payment year	2021			
Commitment	Commitment to invest in Michelin shares 20% of the long-term incentive bonus received at the end of the three-year period and to retain these shares for as long as Mr. Senard remained in office, after which the shares could be sold on a phased basis over four years			

(1) Average share price for the second half of 2020 compared to the average share price for the second half of 2017.

(2) Michelin Environmental Footprint (MEF) indicator: energy use, water withdrawals, CO<sub>2</sub> emissions, volatile organic compound emissions, amount of waste produced and amount of waste landfilled; for 2018, the trigger point and maximum objective for these criteria were made considerably tougher.

Based on the characteristics of this long-term incentive bonus and the achievement rates for the bonus criteria observed by the Compensation and Appointments Committee (see above table), the Supervisory Board noted that the gross long-term incentive bonus amounted to €162,000.00 (rounded, before withholding tax). This bonus will be payable in 2021 after the 2020 financial statements have been approved by the Annual Shareholders Meeting of May 21, 2021.

Mr. Senard committed to investing 20% of the incentive bonus in Michelin shares, which he continued to hold for as long as he remained in office, with any subsequent sales to be carried out on a phased basis over four years.

### 3.7 TOTAL COMPENSATION AWARDED TO THE GROUP EXECUTIVE COMMITTEE

In 2020, the members of the Group Executive Committee (excluding the Managers) received aggregate gross compensation of €5,324,236 (including €1,566,295 corresponding to the variable component for 2019 paid during the first half of 2020). In 2019, the gross aggregate compensation received by Group

Executive Committee members totaled €5,337,500 (including €1,784,968 corresponding to the variable component for 2018 paid during the first half of 2019). The Group Executive Committee members do not receive any compensation as members of the Boards of any Group companies.

### 3.8 TRADING IN MICHELIN SHARES BY THE CORPORATE OFFICERS, THE GENERAL PARTNERS AND SUPERVISORY BOARD MEMBERS AND THEIR CLOSE RELATIVES IN 2020

#### Managers

##### **Florent Menegaux**

18,000 shares sold on November 11, 2020 at a unit price of €104.42;

6,583 shares acquired on November 25, 2020 without consideration under the performance share plan.

##### **Yves Chapot**

4,388 shares acquired on November 25, 2020 without consideration under the performance share plan.

#### SAGES (Non-Managing General Partner)

No shares purchased in 2020.

#### Supervisory Board

##### **Barbara Dalibard**

200 shares purchased on December 21, 2020 at a unit price of €108.80 a share.

##### **Patrick de La Chevardière**

200 shares<sup>(1)</sup> purchased on January 29, 2020 at a unit price of €105.00.

200 shares<sup>(1)</sup> purchased on February 5, 2020 at a unit price of €105.30 a share.

##### **Jean-Christophe Laourde**

8 shares purchased on November 12, 2020 at a unit price of €76.37 a share (2020-2025 Employee Share Ownership Plan).

##### **Cyrille Poughon**

10 shares purchased on November 12, 2020 at a unit price of €76.37 a share (2020-2025 Employee Share Ownership Plan).

##### **Delphine Roussy**

10 shares purchased on November 12, 2020 at a unit price of €76.37 a share (2020-2025 Employee Share Ownership Plan).

To the best of the Company's knowledge, no other transactions in the Company's shares were carried out by the Managing Chairman, the Managers, SAGES, Supervisory Board members or their close relatives during the year.

(1) Shares acquired prior to his election by the Annual Shareholders Meeting of June 23, 2020.

## 3.9 PROCEDURE FOR ASSESSING AGREEMENTS ENTERED INTO IN THE NORMAL COURSE OF BUSINESS

In accordance with Article L. 225-39 of the French Commercial Code, referring to Article L. 226-10-1 of said Code, the Supervisory Board has established a procedure for the regular review of agreements entered into in the normal course of business, in order to obtain assurance that they are on arm's

length terms. The persons directly or indirectly concerned by any of these agreements do not participate in the review. The procedure is performed by members of the Legal Department who refer to the regulatory framework governing these types of agreement.

## 3.10 ARTICLES OF INCORPORATION, BYLAWS AND SHAREHOLDER PARTICIPATION AT GENERAL MEETINGS

The Bylaws, in French and English, can be downloaded from the Company's website ([www.michelin.com](http://www.michelin.com)).

### 3.10.1 GENERAL PARTNERS (ARTICLE 1 OF THE BYLAWS)

- ▶ Florent Menegaux, Managing Chairman;
- ▶ Société Auxiliaire de Gestion – SAGES (registered in the Clermont-Ferrand Trade and Companies Register under number 870 200 466), a simplified joint stock company chaired by Jacques d'Armand de Chateaueux (please refer to the presentation and role of this company, section 3.1.3).

### 3.10.2 CORPORATE PURPOSE (ARTICLE 2 OF THE BYLAWS)

All operations and activities directly or indirectly linked to the production, manufacture and sale of rubber, at all stages of manufacture, in all forms and for all uses.

All industrial, commercial and financial operations, related in particular to:

- ▶ tires, tire components, tire accessories and manufactured rubber in general;
- ▶ mechanical engineering in all its applications, and in particular motor vehicles and industrial vehicles, components, spare parts and accessories;
- ▶ the production, sale and use of natural or synthetic chemicals and their derivatives, in particular the various sorts of elastomers, plastics, fibers and resins, and generally all activities and products of the chemicals industry, especially as related to the products and operations described above;

- ▶ the filing, acquisition, use, transfer or sale of any intangible property rights, and in particular patents and related rights, trademarks and manufacturing processes relating to the corporate purpose.

To be carried out directly, as well as through equity interests, the creation of new companies, joint ventures (*sociétés en participation*) and economic interest groups (*groupements d'intérêt économique*), contributions, partnerships (*commandites*), the subscription, purchase or exchange of securities, or interests, in all businesses whose activities relate to the aforementioned purposes, or by way of merger or otherwise.

And generally, all commercial, industrial, real estate, securities and financial transactions related directly or indirectly in whole or in part to any of the purposes specified above or to any similar or related purposes.

### 3.10.3 MANAGERS (ARTICLE 10 OF THE BYLAWS)

The Company is led by a Managing Chairman and managed by one or more Managers, who are individuals and who may or may not be General Partners.

### 3.10.4 FINANCIAL YEAR (ARTICLE 29 OF THE BYLAWS)

The Company's fiscal year begins on January 1 and ends on December 31.

### 3.10.5 STATUTORY ALLOCATION OF PROFITS (ARTICLE 30 OF THE BYLAWS)

An amount equivalent to 12% of net profit for the year is allocated to the General Partners, from which are deducted the dividends and reserves distributed by the subsidiaries Manufacture Française des Pneumatiques Michelin (MFPM) and Compagnie Financière Michelin SA (CFM). The allocated amount is capped at 0.6% of consolidated net income for the year, with any excess being allocated to profit available for appropriation. Net profit comprises net revenue for the year less general and administrative costs and all other expenses of the Company, including any depreciation, amortization and provisions deemed necessary. Net profit remaining after the 12% allocation to the General Partners, plus any retained earnings brought forward from the prior year, is attributable to shareholders.

The shareholders may decide to make deductions from this attributable net profit to be used, as recommended by the Managing Chairman, to create or increase one or more reserve or contingency funds, over which the General Partners shall not have any rights.

Any attributable net profit remaining after the above deduction shall be distributed to shareholders.

### 3.10.6 SHAREHOLDER PARTICIPATION AT GENERAL MEETINGS

#### Notices of Meeting (Article 21 of the Bylaws)

Notices of Meeting are issued in such form and with such advance notice as is prescribed by law.

#### Conditions of attendance (Articles 22 and 24 of the Bylaws)

Shareholders may attend General Meetings regardless of how many shares they own, provided such shares are fully paid up

and are registered in the Company's share register at least three days before the date of the Meeting.

#### Exercising voting rights – attribution of double voting rights (Article 22 of the Bylaws)

Owners or proxies of owners of fully paid-up shares registered in the name of the same holder for at least four years shall have two votes per share, without limitation.

In the event of a capital increase paid up by capitalizing reserves, income or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights shall similarly carry double voting rights.

Transfer through inheritance, liquidation of marital assets, *inter vivos* transfers to a spouse or to a relative in the ascending or descending line shall not result in the loss of double voting rights or a break in the qualifying period described above.

Shares transferred for any other reason shall lose their double voting rights ipso jure.

#### Statutory disclosure thresholds

The Bylaws do not provide for any disclosure to the Company when certain shareholding thresholds are exceeded. Further information is provided on the Company's website [www.michelin.com](http://www.michelin.com).

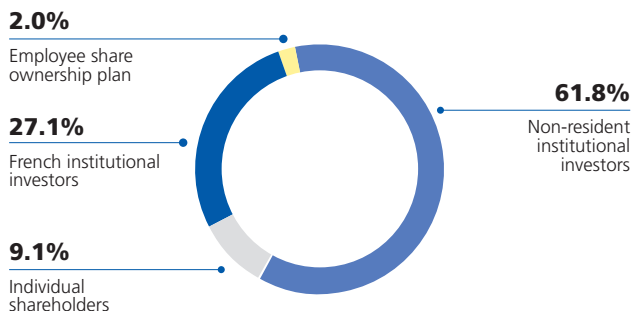
## 3.11 OWNERSHIP STRUCTURE AND VOTING RIGHTS

(At December 31, 2020):

- ▶ share capital: €356,680,172;
- ▶ shares outstanding: 178,340,086 all fully paid up;
- ▶ voting rights outstanding: 243,584,598.

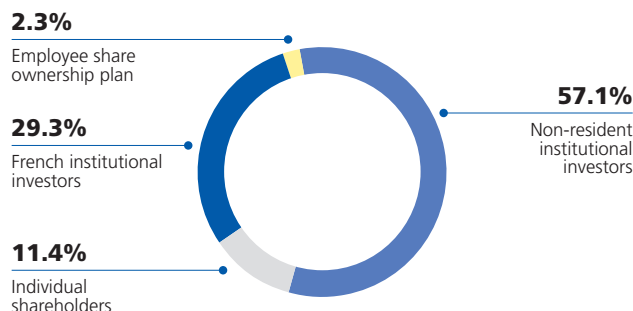
**SHARE OWNERSHIP**

(at December 31, 2020)



**VOTING RIGHTS**

(at December 31, 2020)



Shares held in the same name for at least four years carry double voting rights. At December 31, 2020, 178,340,086 shares were held by the public, corresponding to 100% of the voting rights.

As of December 31, 2020, to the best of the Company's knowledge:

- ▶ Caisse des Dépôts et Consignations (CDC) held 5.04% of the capital and 5.05% of the voting rights;
- ▶ BlackRock Inc. held 5.01% of the share capital and 3.68% of the voting rights;
- ▶ Mage Invest held 3.79% of the share capital and 5.11% of the voting rights;
- ▶ no other shareholder directly or indirectly holds more than 5% of the capital and voting rights;
- ▶ there are no shareholders' agreements or pacts.

There has been no material change in the Company's ownership structure over the last three years.

## 3.12 FINANCIAL AUTHORIZATIONS

### 3.12.1 GRANTED BY THE ANNUAL SHAREHOLDERS MEETING OF MAY 18, 2018

#### Issuance of shares and share equivalents with pre-emptive subscription rights

Corporate action	Resolution	Duration (expiration date)	Maximum issue amount, based on a share price of €105 <sup>(1)</sup> (in €)	Maximum aggregate par value of shares (in €)	Utilization during the year
Issuance of shares and/or securities carrying rights to shares	14 <sup>th</sup>	26 months (July 2020)	▶ €6.61 billion (shares) ▶ €2.50 billion <sup>(4)</sup> (securities carrying rights to shares)	€126 million <sup>(2)(3)</sup> (less than 35% of issued capital)	None
Issuance of new shares by capitalizing reserves	20 <sup>nd</sup>	26 months (July 2020)	€4.20 billion	€80 million	None

(1) CGEM share price at December 31, 2020, rounded up to the nearest whole number.

(2) With the aggregate par value of shares issued in connection with all of the authorized transactions not to exceed €126 million, excluding any shares issued under the 18<sup>th</sup> and 20<sup>th</sup> resolutions (21<sup>st</sup> resolution).

(3) This amount may be raised by up to 15% if the issue is oversubscribed, subject to the ceilings set respectively in the 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> resolutions (17<sup>th</sup> resolution).

(4) With the aggregate nominal amount of all debt securities, with or without rights to shares, authorized by the 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, 19<sup>th</sup> and 20<sup>th</sup> resolutions not to exceed €2.5 billion (21<sup>st</sup> resolution).

## Issuance of shares and share equivalents without pre-emptive subscription rights

Corporate action	Resolution	Duration (expiration date)	Maximum issue amount, based on a share price of €105 <sup>(1)</sup> (in €)	Maximum aggregate par value of shares (in €)	Utilization during the year
Issuance of shares and/or securities carrying rights to shares	15 <sup>th</sup>	26 months (July 2020)	▶ €1.89 billion (shares) ▶ €2.50 billion <sup>(4)</sup> (securities carrying rights to shares)	€36 million <sup>(2)(3)</sup> (less than 10% of issued capital)	None
Issuance of shares and/or securities carrying rights to shares through an offer governed by Article L. 411-2 of the French Monetary and Financial Code ( <i>Code monétaire et financier</i> )	16 <sup>th</sup>	26 months (July 2020)	▶ €1.89 billion (shares) ▶ €2.50 billion <sup>(4)</sup> (securities carrying rights to shares)	€36 million <sup>(2)(3)(5)</sup> (less than 10% of issued capital)	None
Issuance of ordinary shares in connection with a stock-for-stock offer or in payment of contributed assets	19 <sup>th</sup>	26 months (July 2020)	€1.89 billion	€36 million <sup>(5)</sup>	None

(1) CGEM share price at December 31, 2020, rounded up to the nearest whole number.

(2) With the aggregate par value of shares issued in connection with all of the authorized transactions not to exceed €126 million, excluding any shares issued under the 18<sup>th</sup> and 20<sup>th</sup> resolutions (21<sup>st</sup> resolution).

(3) This amount may be raised by up to 15% if the issue is oversubscribed, subject to the ceilings set respectively in the 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> resolutions (17<sup>th</sup> resolution).

(4) With the aggregate nominal amount of all debt securities, with or without rights to shares, authorized by the 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, 19<sup>th</sup> and 20<sup>th</sup> resolutions not to exceed €2.5 billion (21<sup>st</sup> resolution).

(5) Amount to be included in the maximum total capital increase authorized under the 21<sup>st</sup> resolution.

## Debt securities without rights to shares/Other debt securities

Corporate action	Resolution	Duration (expiration date)	Maximum nominal amount authorized (in €)	Utilization during the year
Issuance of bonds	8 <sup>th</sup>	26 months (July 2020)	€5 billion	€42 million <sup>(1)</sup>

(1) Please refer to section 5.2, note 26.1.

## Employee share issues

Corporate action	Resolution	Duration (expiration date)	Comments	Utilization during the year
Issuance of new ordinary shares	20 <sup>th</sup>	26 months (July 2020)	Less than 2% of issued capital	None



### 3.12.2 GRANTED BY THE ANNUAL SHAREHOLDERS MEETING OF MAY 17, 2019

#### Share buyback program

Corporate action	Resolution	Duration (expiration date)	Limitations	Utilization during the year
Share buyback program	5 <sup>th</sup>	18 months (November 2020)	<ul style="list-style-type: none"> <li>▶ Statutory limit of 10% of issued capital</li> <li>▶ Maximum purchase price: €180</li> </ul>	Buyback of 216,935 shares <sup>(1)</sup>
Capital reduction by canceling shares	14 <sup>th</sup>	18 months (November 2020)	10% of issued capital	None

(1) Please refer to section 6.5.6.

#### Employee share issues

Corporate action	Resolution	Duration (expiration date)	Comments	Utilization during the year
Performance share grants	13 <sup>th</sup>	38 months (July 2022)	<ul style="list-style-type: none"> <li>▶ Not open to the Managers or the Chairman of the Supervisory Board</li> <li>▶ Performance conditions over three years</li> <li>▶ Capped at 0.7% of issued capital</li> </ul>	None

### 3.12.3 GRANTED BY THE ANNUAL SHAREHOLDERS MEETING OF JUNE 23, 2020

#### Issuance of shares and share equivalents with pre-emptive subscription rights

Corporate action	Resolution	Duration (expiration date)	Maximum issue amount, based on a share price of €105 <sup>(1)</sup> (in €)	Maximum aggregate par value of shares (in €)	Utilization during the year
Issuance of shares and/or securities carrying rights to shares	16 <sup>th</sup>	26 months (August 2022)	<ul style="list-style-type: none"> <li>▶ €6.61 billion (shares)</li> <li>▶ €2.50 billion<sup>(4)</sup> (securities carrying rights to shares)</li> </ul>	€126 million <sup>(2)(3)</sup> (less than 35% of issued capital)	None
Issuance of new shares by capitalizing reserves	20 <sup>th</sup>	26 months (August 2022)	€4.20 billion	€80 million	None

(1) CGEM share price at December 31, 2020, rounded up to the nearest whole number.

(2) With the aggregate par value of shares issued in connection with all of the authorized transactions not to exceed €126 million, excluding any shares issued under the 20<sup>th</sup> resolution (23<sup>rd</sup> resolution).

(3) This amount may be raised by up to 15% if the issue is oversubscribed, subject to the ceilings set respectively in the 16<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> resolutions (19<sup>th</sup> resolution).

(4) With the aggregate nominal amount of all debt securities, with or without rights to shares, authorized by the 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> resolutions not to exceed €2.5 billion (23<sup>rd</sup> resolution).

## Issuance of shares and share equivalents without pre-emptive subscription rights

Corporate action	Resolution	Duration (expiration date)	Maximum issue amount, based on a share price of €105 <sup>(1)</sup> (in €)	Maximum aggregate par value of shares (in €)	Utilization during the year
Issuance of shares and/or securities carrying rights to shares	17 <sup>th</sup>	26 months (August 2022)	▶ €1.84 billion (shares) ▶ €2.50 billion <sup>(4)</sup> (securities carrying rights to shares)	€35 million <sup>(2)(3)</sup> (less than 10% of issued capital)	None
Issuance of shares and/or securities carrying rights to shares through an offer governed by Article L. 411-2 of the French Monetary and Financial Code ( <i>Code monétaire et financier</i> )	18 <sup>th</sup>	26 months (August 2022)	▶ €1.84 billion (shares) ▶ €2.50 billion <sup>(4)</sup> (securities carrying rights to shares)	€35 million <sup>(2)(3)(5)</sup> (less than 10% of issued capital)	None
Issuance of ordinary shares in connection with a stock-for-stock offer or in payment of contributed assets	21 <sup>st</sup>	26 months (August 2022)	€1.84 billion	€35 million <sup>(5)</sup>	None

(1) CGEM share price at December 31, 2020, rounded up to the nearest whole number.

(2) With the aggregate par value of shares issued in connection with all of the authorized transactions not to exceed €126 million, excluding any shares issued under the 20<sup>th</sup> resolution (23<sup>rd</sup> resolution).

(3) This amount may be raised by up to 15% if the issue is oversubscribed, subject to the ceilings set respectively in the 16<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> resolutions (19<sup>th</sup> resolution).

(4) With the aggregate nominal amount of all debt securities, with or without rights to shares, authorized by the 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> resolutions not to exceed €2.5 billion (23<sup>rd</sup> resolution).

(5) Amount to be included in the maximum total capital increase authorized under the 23<sup>rd</sup> resolution.

## Employee share issues and/or issue of shares to executive directors

Corporate action	Resolution	Duration (expiration date)	Comments	Utilization during the year
Issuance of new ordinary shares	22 <sup>nd</sup>	26 months (August 2022)	Less than 2% of issued capital	Issuance of 713,983 shares <sup>(1)</sup>
Share grants and performance share plans	25 <sup>th</sup>	38 months (August 2023)	▶ Performance conditions over three years ▶ Capped at 0.9% of issued capital	Issuance of 588,960 rights <sup>(1)</sup>

(1) Please refer to sections 6.5.4 and 6.5.5.

## Share buyback program

Corporate action	Resolution	Duration (expiration date)	Comments	Utilization during the year
Share buyback program	5 <sup>th</sup>	18 months (December 2021)	▶ Statutory limit of 10% of issued capital ▶ Maximum price	Buyback of 880,605 shares <sup>(1)</sup>

(1) Please refer to section 6.5.6.

### **3.13 CHANGE OF CONTROL**

Because the Company is organized as a *société en commandite par actions* (partnership limited by shares), any shareholder gaining control of the capital and corresponding voting rights could not exercise control over the Company without the approval, in accordance with the Bylaws, of the Non-Managing General Partner and/or, as the case may be, all of the General Partners and/or the Supervisory Board, which would be required to make the following decisions:

- ▶ election of new Managers;
- ▶ amendment of the Bylaws;
- ▶ election of new General Partners.

### **3.14 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 22-10-78 OF THE FRENCH COMMERCIAL CODE ON THE CORPORATE GOVERNANCE REPORT**

In accordance with French professional auditing standard NEP 9510<sup>(1)</sup>, the Statutory Auditors' review of the Supervisory Board's Corporate Governance Report, pursuant to Article L. 225-235 of the French Commercial Code, is described in the Statutory Auditors' report on the annual financial statements presented in section 5.3.3 herein.

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(1) Norme d'exercice professionnel 9510 (approved by the government order of October 1, 2018 published in France's Journal Officiel, edition no. 0232, on October 7, 2018) on the subject of the Statutory Auditor's procedures relating to the management report, other documents on the audited entity's financial position and financial statements and information included in the Corporate Governance Report, as communicated to the members of the governance body called on to approve the financial statements.