Additional information related to the compensation of the Managers

The following information comes in addition to information already published in the 2021 URD of April 11, 2022 and the full-year 2021 results press release of February 14, 2022.

1. Further detailed information on the Managers' compensation policy for 2022 (Chapter 3.3.2.2 of the 2021 URD)

Added information is indicated in blue.

Fixed compensation

The Managers' new fixed compensation, applicable over the entire duration of their term of office, would correspond to:

- for Mr. Menegaux, the median compensation of the Chief Executives of CAC 40 companies,
- for Mr. Chapot, the median compensation of the Chief Operating Officers of CAC 40 companies.

It is specified that the Compensation and Appointments Committee took into consideration the comparative studies carried out in 2021 by two leading independent external firms (Willis Towers Watson and Mercer) with comparable Executives of CAC 40 companies, which highlighted the following factors:

- For Mr. Menegaux, Managing Chairman, the level of base compensation was lower than the median compensation of the Chief Executives of CAC 40 companies by approximately 25% in the first study and approximately 22% in the second study,
- For Mr. Chapot, General Manager, the level of base compensation was lower than the median compensation of the Chief Operating Officers of CAC 40 companies by approximately 22% in the first study and by approximately 35% in the second study.

Long Term Incentive (LTI)

To ensure complete consistency, these same studies have been taken into consideration for this compensation component.

They show that:

- Mr. Menegaux's multi-year compensation cap (performance shares) was more than 50% lower than the corresponding median of the top executives of CAC 40 companies according to both studies,
- Mr. Chapot's multi-year compensation cap (performance shares) was more than 21% lower in the first study and more than 11% lower in the second study, than the corresponding median of the top managers of CAC 40 companies.

These multi-year compensation caps are to be set at the level of the median of their counterparts in CAC 40 companies, respectively at 140% of the base salary for Mr. Menegaux and at 120% of the base salary for Mr. Chapot.

Conclusion

As a result of these adjustments, total compensation for Florent Menegaux and Yves Chapot get back to the level of the median of the benchmark of CAC 40 companies.

2. **Further detailed information on performance shares granted to executive officers for which the lock-up period ended during the year 2021 (Chapters 3.6.1.8 and 6.5.4.3 of the 2021 URD)**
Added information is indicated in blue.

During 2021, the two Managers received 8,993 fully vested performance shares:
- Florent Menegaux received 5,314 shares out of 8,175 attributed,
- Yves Chapot received 3,679 shares out of 5,660 attributed.

3. **Further detailed information on the achievement of the qualitative criteria related to the Say-on-Pay of Florent Menegaux, Managing Chairman (Chapter 3.4.4.2 of the 2021 URD)**
Added information is indicated in blue.

ANNUAL VARIABLE COMPENSATION - SHORT-TERM INCENTIVES

Qualitative criteria

Reminder: all quantitative and qualitative objectives were set at the start of 2021 and were not adjusted during the year. The Compensation and Appointments Committee carefully reviewed achievement rates for each of the quantitative and qualitative criteria.
During the Group's Capital Markets Day on April 8, 2021, Florent Menegaux, Managing Chairman, and Yves Chapot, General Manager and Chief Financial Officer, presented Michelin in Motion, Michelin's "All Sustainable" strategy for 2030, which is based on constantly seeking the right balance between People, Planet and Profit. They also presented the Group's ambitions for 2030, based on 12 indicators covering its environmental, social, societal and financial performance.

➔ for the "Deployment of the six transformations" criterion, the Committee noted that the objectives had been met at 66%, based on the new strategic dashboard evidencing:

- changes in the Balanced Score Card in line with expectations,
- deployment of the People, Profit, Planet strategy,
- advances in the Group's strategic diversification.

<u>The "Deployment of the six transformations" criterion is based on the Balanced Score Card. The achievement rate on the following indicators has been below targets:</u>

The employee engagement rate (slight decline from 82% in 2020 to 80% in 2021):

- The 2020 engagement rate expressed the gratitude of Michelin Group employees to the Company and its Managers for their sharp focus on protecting the health and safety of all. In 2021, the ongoing health crisis, extensive supply chain disruptions and resulting changes in their internal and external environments put intense pressure on employees, particularly in the production plants, across the supply chain, in the customer service centers and in other front-line operations. Although lower than in 2020, the overall rate of 80% remains high.
  The 2030 engagement rate target remains 85%.

The Partner NPS and End Customer NPS (slight decline from 40.5 in 2020 to 38.9 in 2021)

- Despite significant improvements in the OEM Net Promoter Score, particularly in the Automotive segment, the Partner NPS indicator declined overall due to a clear deterioration in the Dealer NPS, which was attributable to:
  - supply chain disruptions, particularly in regions where the Group's market share is robust. This was the case in North America, where NPS declined significantly, notably in the Passenger car and Light truck Replacement tire segments,
  - the frequent, major price increases introduced to offset inflation, particularly in emerging economies.

In the Automotive Original Equipment segment, NPS improved across every customer cluster. Customer comments show that professionalism, superior products, and quality remain the Group's core strengths. They are also increasingly positive about two issues that have been identified for improvement: responsiveness and efficiency.

➔ 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 not been met, with the TCIR at 1.29.

Consolidated TCIR(1) increased to 1.29 in 2021 from 1.19 the year before. Despite the challenging conditions, the pandemic's impact on accident rates was favorable in 2020, due to extensive furloughing, but unfavorable in 2021, whose underperformance was caused by crisis management issues rather than the deployment of preventive measures. Manufacturing operations continued to improve, with their annual TCIR falling below 1.00 for the first time. On the other hand, Distribution, a major contributor to Group TCIR, has not yet delivered the expected improvements.

In 2021, Michelin's head office safety team conducted an in-depth analysis of the most serious accidents over a two-year period. Its findings were shared with the Group Executive Committee and Manufacturing Department executives. The resulting lessons are now being used to define areas for action in 2022 and to deploy measures to prevent recurrences, thereby lowering the TCIR, further instilling a culture of safety, and building the safety and ergonomics roadmap to meet the Group's objectives for 2030.

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

➔ for the criterion concerning implementation of the synergies created by the integration of Camso, Fenner, Multistrada and Masternaut, the Committee noted that total synergistic benefits of €122 million had been achieved in 2021, representing a significant increase compared to 2020 synergies.

This objective has been met, considering a base of synergies of around €80 million in 2020. As reported to the Supervisory Board in February 2022, actual synergies delivered in 2021 reached €122 million, for a target of €102 million.

The following synergies were highlighted: strong sourcing synergies (mostly CAMSO and Multistrada) with further opportunities in sight, higher staff cost savings realized due to unreplaced departures, strong ramp-up of cross-selling synergies at CAMSO, and tax gains at Multistrada.