



***ENGAGEMENT  
GOVERNANCE  
ROADSHOW***

***OCTOBER 2, 3 & 4, 2023***

***"OFFERING EVERYONE A BETTER WAY FORWARD"***



◆ CORPORATE GOVERNANCE

**MICHELIN: AN AGILE AND ROBUST GOVERNANCE STRUCTURE**

**1. THE MICHELIN PARTNERSHIP LIMITED BY SHARES S.3-4**

**2. THE SUPERVISORY BOARD AND ITS COMMITTEES S.5-9**

**3. CAREER AND SUCCESSION PLAN S.10**

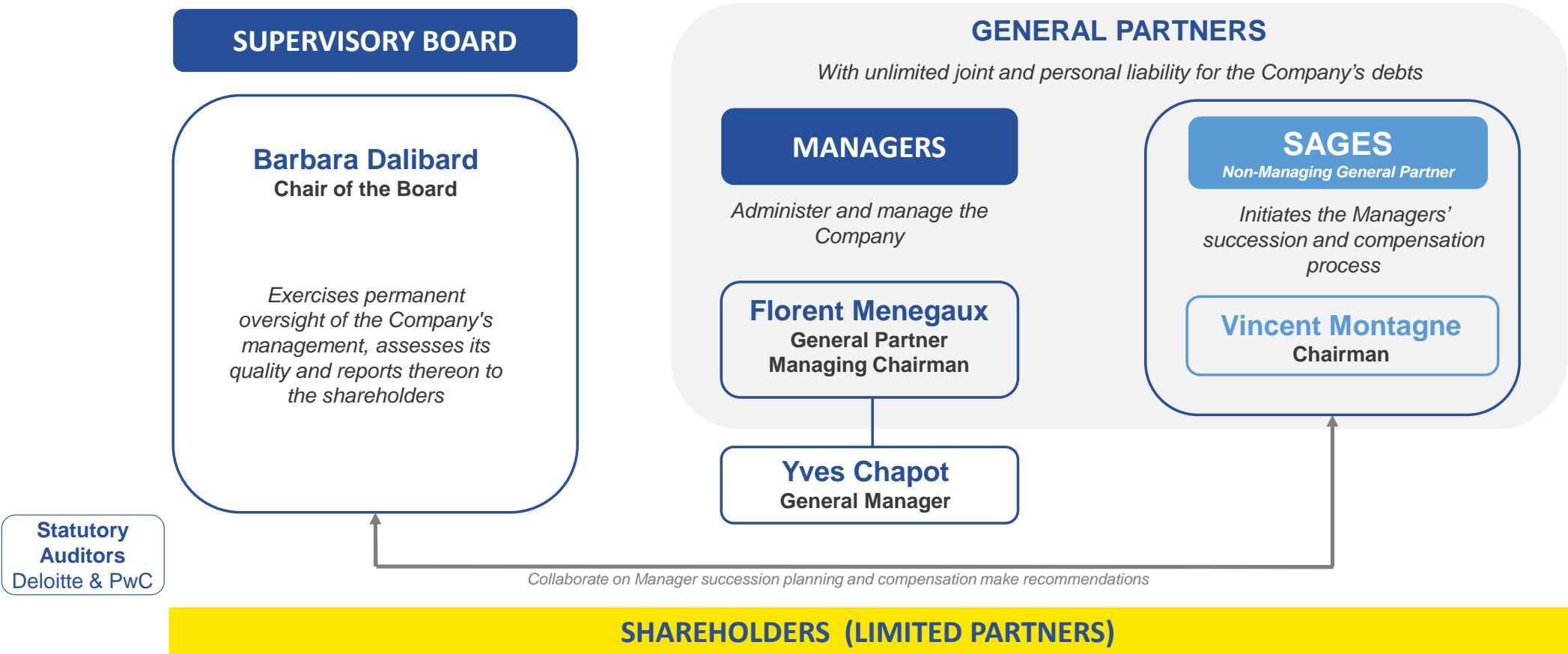
**4. EXAMPLES OF BOARD CONTROL S.11-13**

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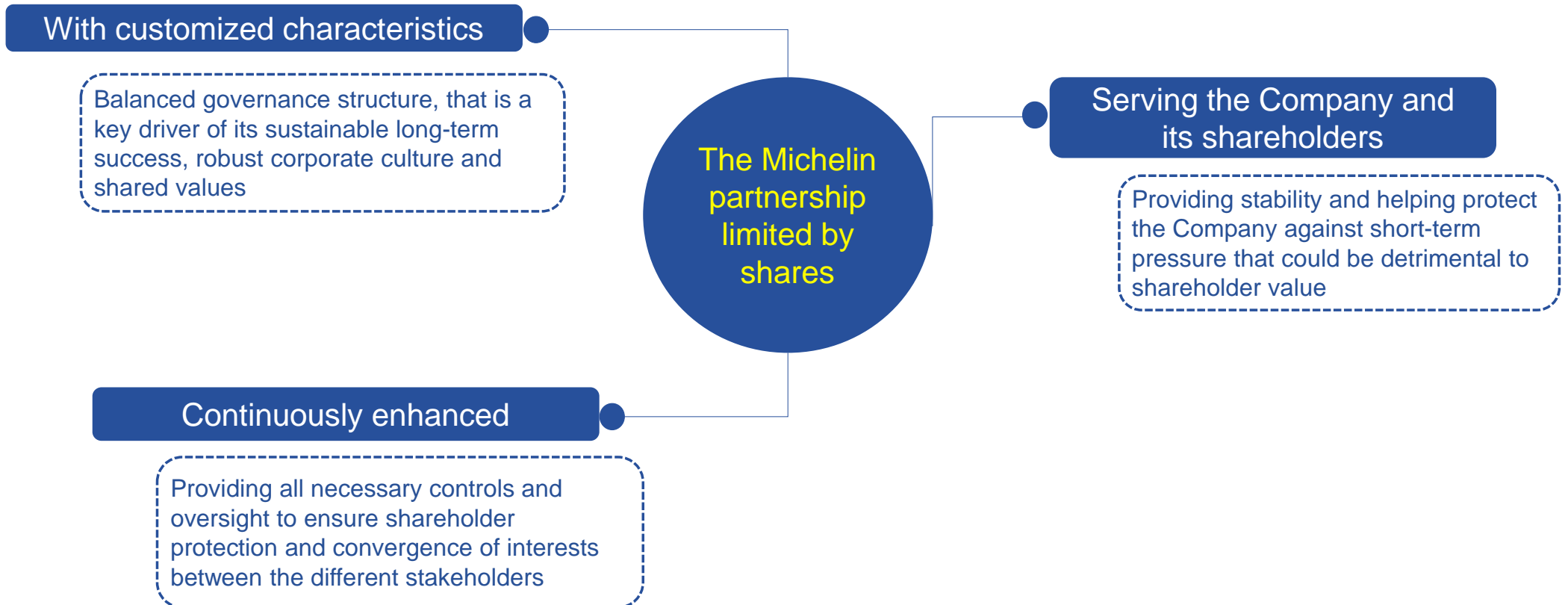
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**1** *THE MICHELIN PARTNERSHIP LIMITED BY SHARES*  
**THE PARTNERSHIP MODEL ALIGNS GROUP MANAGEMENT DECISIONS WITH SHAREHOLDER INTERESTS AND GUARANTEES CLEAR SEGREGATION OF MANAGEMENT AND SUPERVISORY POWERS**



**1** *THE MICHELIN PARTNERSHIP LIMITED BY SHARES*  
**A BALANCED GOVERNANCE STRUCTURE THAT IS A KEY DRIVER OF MICHELIN'S SUSTAINABLE LONG-TERM SUCCESS, ROBUST CORPORATE CULTURE AND SHARED VALUES**



**2** *THE SUPERVISORY BOARD AND ITS COMMITTEES*  
**THE SUPERVISORY BOARD HAS SPECIFIC DUTIES REGARDING THE GROUP'S STRATEGY AND CORPORATE GOVERNANCE**



**2 THE SUPERVISORY BOARD AND ITS COMMITTEES**  
**BOARD MEMBERS: A SOLID GOVERNANCE PROFILE FOR EFFICIENT AND INDEPENDENT OVERSIGHT**



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



**Thierry Le Hénaff**  
*Senior Independent Member*

*Compensation and Appointments Committee*



**Jean-Pierre Duprieu**

*Chair of the Compensation and Appointments Committee*



**Anne-Sophie de la Bigne**

*Compensation and Appointments Committee*  
*Corporate Social Responsibility Committee*



**Delphine Roussy**  
*Member representing employees\**

*Compensation and Appointments Committee*



**Patrick de la Chevardière**

*Chair of the Audit Committee*



**Aruna Jayanthi**

*Audit Committee*



**Wolf-Henning Scheider**

*Audit Committee*



**Monique Leroux**

*Audit Committee*

*Chair of the Corporate Social Responsibility Committee*



**Jean-Christophe Laourde**

*Member representing employees\**

*Corporate Social Responsibility Committee*



**Jean-Michel Severino**

*Corporate Social Responsibility Committee*

**SUPERVISORY BOARD**

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

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

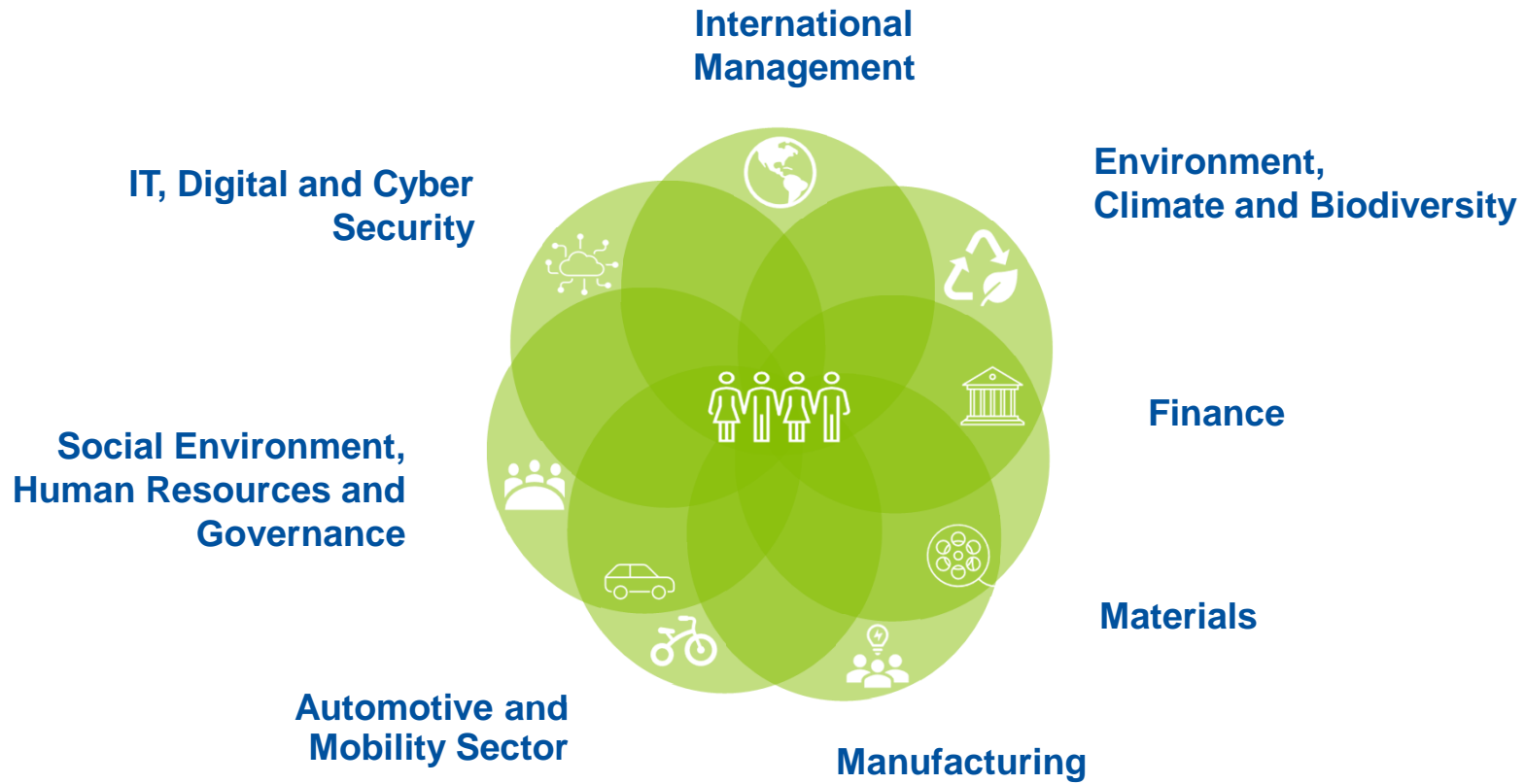
**100%**  
 of Committee Chairs are independent

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

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

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

\* Non-independent member



**THREE SPECIALIZED COMMITTEES WORKING TOGETHER TO ADDRESS SHAREHOLDERS' EXPECTATIONS**

Key topics

- Health and safety 
- Impact of global warming 
- Diversity and inclusion 

**SUPERVISORY BOARD**



**Audit Committee**  
100% independent



**Compensation & Appointments Committee**  
100% independent\*

**CSR Committee**  
100% independent\*

- Financial statements
- Risk management procedures & audit plan
- Cybersecurity risks
- Meeting with the Statutory Auditors without Executives
- Review of the CSR risk matrix → together with the CSR Committee
- International tax reform

- Managers: compensation packages & objectives
- Employees: performance share plan policies
- Group Executive Committee: compensation packages talent management policy plans for promoting Diversity and Inclusion
- Managers and Group Executive Committee: succession plans

- The Group's CSR strategy, objectives, policies and commitments
- Integrity, completeness and outstanding quality of the CSR strategy and initiatives implemented by the Group
- Monitoring of regulatory developments (CSRD, ESRS)
- Non-financial compliance, ethics and corporate social responsibility (including fare wage and inclusion policies)

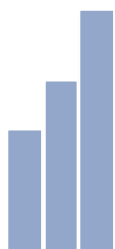
Key topics  

Key topics  

Key topics   

\* Excluding members representing employees



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

Applies  
governance  
standards at  
the highest  
level...

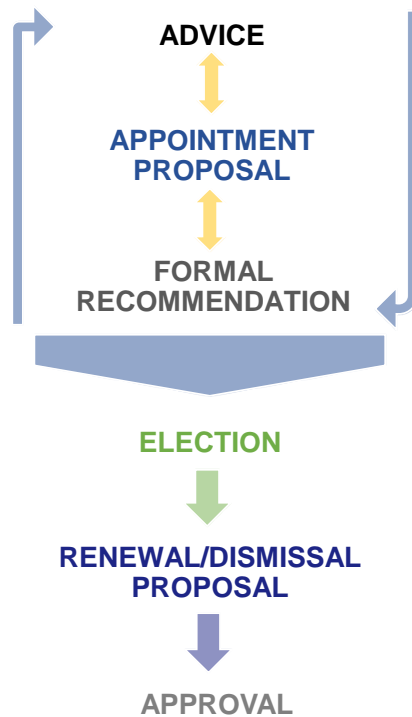
- **Non-executive Chair of the Board**
- **Thorough review of the independence** of members (89%)
- **Senior Independent Member** who calls an executive session at least once a year
- **Yearly assessment of the Board**
- **Collaborative work between the Supervisory Board and SAGES** on the Managers' succession and compensation processes



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

**3 CAREER AND SUCCESSION PLAN**  
**SUCCESSION PLAN OF THE MANAGERS: PROCESS LED BY THE GOVERNANCE BODIES**

The policies concerning the appointment of Managers, including career and succession plans, are developed jointly by the Non-Managing General Partner and the Compensation and Appointments Committee



**Compensation and Appointments Committee**

Periodic review of the succession plan

**Non-Managing General Partner (SAGES)**

Selects and proposes a Manager for appointment

**Supervisory Board**

Based on the Compensation and Appointments Committee recommendation, the Supervisory Board makes a recommendation to the Shareholders

**Shareholders Meeting**

The Manager's appointment (for a fixed term of 4 years) is subject to EGM (or AGM) approval

**Non-Managing General Partner (SAGES)**

Proposes the renewal or dismissal of a Manager

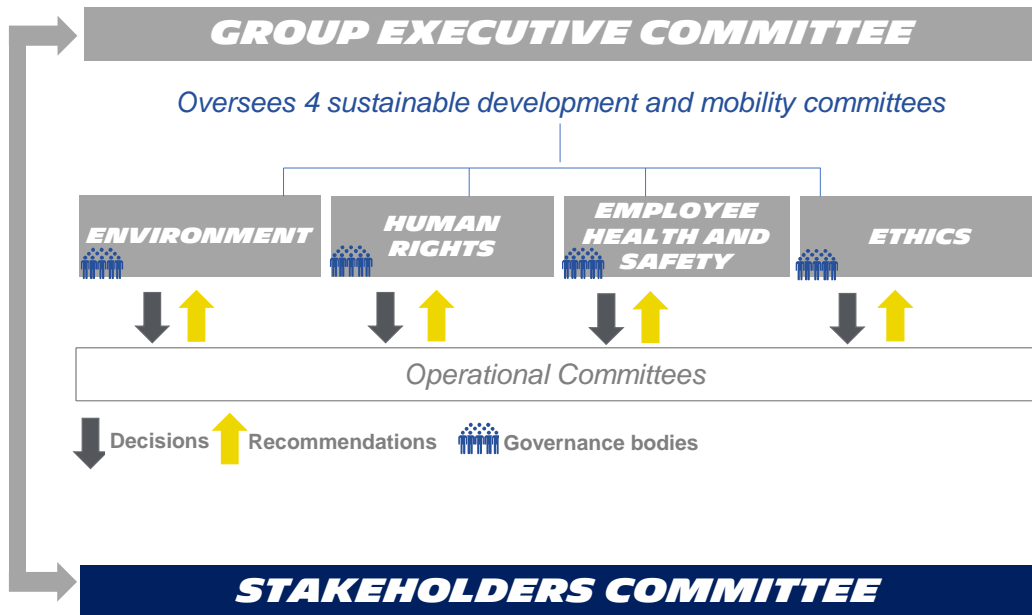
**Supervisory Board**

Based on the Compensation and Appointments Committee's recommendation, the renewal or dismissal of a Manager is subject to the Supervisory Board's approval



**4** *EXAMPLES OF BOARD CONTROL*  
**ESG AWARENESS AND OVERSIGHT ARE FULLY EMBODIED IN MICHELIN'S MANAGEMENT AND GOVERNANCE STRUCTURE**

Group's Management



- Set up in 2016
- 12 members representing suppliers, investors, unions, customers and NGOs
- Four continents represented
- Annual meeting with the Executive Committee

Supervisory Board

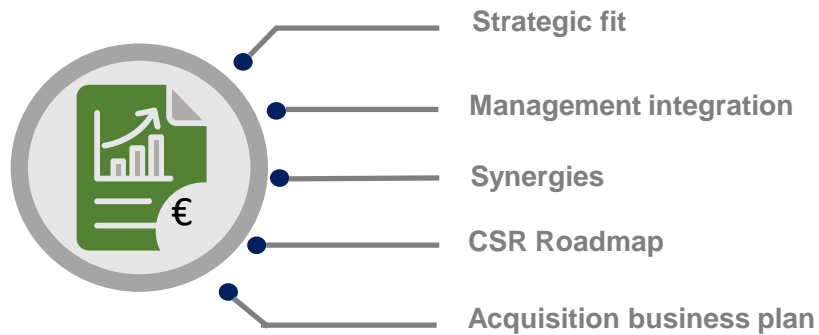
**CSR COMMITTEE**

- Review of the **Non-Financial Statement** including the most significant KPIs in terms of CSR
- Review and analysis of the **CSR risk matrix**
- Monitoring of **regulatory developments** in particular the Corporate Sustainability Reporting Directive (CSRD)
- Analysis of the steps in order to classify business activities according to their contribution to the European Union's environmental objectives
- Preparation of the **Committee's work program** for the year
- Analysis of the **environmental policy**
- Yearly interaction with the Chair of the Stakeholders Committee (new from 2023)

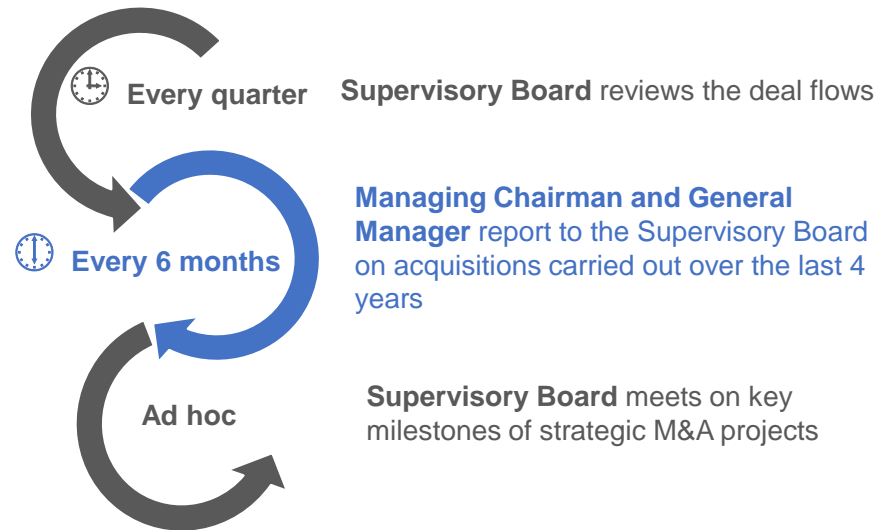
4 **EXAMPLES OF BOARD CONTROL**  
**ILLUSTRATION OF AN M&A PROJECT MONITORING: GOVERNANCE OF THE ACQUISITION OF FLEX COMPOSITE GROUP (FCG) (1/2)**

General frame : the Supervisory Board reviews all M&A strategic projects above €50m and issues a formal recommendation *(at early stage - before any non-binding LOI)*

• Key considerations



• Key timeline



4 TWO EXAMPLES OF BOARD CONTROL  
**ILLUSTRATION OF AN M&A PROJECT MONITORING: GOVERNANCE OF THE ACQUISITION OF FLEX COMPOSITE GROUP (FCG) (2/2)**

- In addition to the regularly scheduled reviews, 2 fully dedicated Supervisory board meetings in April & May 2023, for a total of 4 board presentation sessions
  - Presentation of **the project**: FCG activities, general conditions of the bidding process, etc.
  - Presentation of **the offer** (incl. due diligence findings, CSR, enterprise value,...)

- Engagement of the Supervisory board members with their skills and experiences to constructively challenge each major dimension of the project

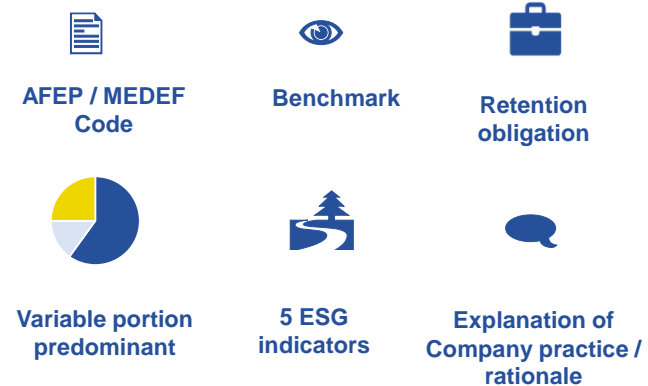


## THE MANAGERS' COMPENSATION POLICY ESTABLISHES A COMPETITIVE FRAMEWORK ALIGNED WITH THE GROUP'S STRATEGY AND BUSINESS ENVIRONMENT

### TRANSPARENCY AND DISCLOSURE

- **LTI for Managers: performance shares** aligned with Group employee incentive schemes (*criteria and objectives*)
- **Annual variable compensation capped** (*as a % of fixed compensation*)
- **Retrospective disclosure** of performance against objectives
- **Explaining the changes** to performance metrics

### COMPENSATION BEST PRACTICES



Quantitative objectives aligned with Group employees  
(annual variable compensation and LTI)

- Term of the mandates of Supervisory Board members:
  - Jean-Pierre Duprieu – Independent member, Chair of the Compensation and Appointments Committee
  - Anne-Sophie de la Bigne – Independent member
  - Patrick de la Chevardière – Independent member, Chair of the Audit Committee
  
- Renewal of periodic financial authorizations

## 7 CORPORATE GOVERNANCE KEY TAKEAWAYS

- A **balanced governance** structure that **ensures the stability of the Company** and provides **all necessary checks and balances** to ensure shareholder protection and safeguard the interests of all stakeholders
- Regular **external evaluation** by a specialized firm
- Supervisory Board **89% independent**, with continuous renewal of key members
- **Senior independent director** leading executive sessions
- **Committees** made of **100% independent\* members**
- Very **high attendance** rate
- **Fair compensation package**, linked to performance and continuously improved
- **Clear ESG strategy**: Board diversity policy with measurable targets, decarbonation roadmap

\* Excluding members representing employees





# ***APPENDICES***



## ◆ APPENDIX

# **THE NON-MANAGING GENERAL PARTNER, SAGES, IS BOUND TO THE COMPANY BY LEGACY, LOYALTY AND VALUES**

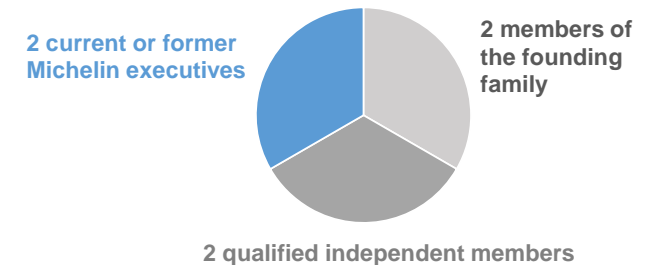
### SAGES at a glance

- Recommended by Michelin's General Partners François Michelin and François Rollier, and approved by shareholders in 1970
- Three categories of shareholders (including members of the Michelin family) with the same shareholding and the same number of seats on its Board of Directors
- Not authorized to play any part in the Company's management, except in the event of vacancy and for a maximum interim period of one year
- Key player in the succession and compensation processes of the Managers
- SAGES receives a share of the distributable earnings paid to the General Partners by the Company in accordance with its Bylaws, which is capped and only paid if the Company makes a profit. At least 80% of this is allocated to a contingency reserve to guarantee SAGES's unlimited liability

Chairman: Vincent Montagne



Board of Director seats



## ◆ APPENDIX

### **THE SUPERVISORY BOARD EXERCISES PERMANENT OVERSIGHT OF THE COMPANY'S MANAGEMENT, AND ASSESSES ITS QUALITY ON BEHALF OF THE SHAREHOLDERS**

- Regular review of the Group's strategy and competitive position
- 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 and its implementation
- Formal recommendation to the Managers for :
  - significant investments
  - external growth transactions
  - divestitures
  - off-balance sheet commitments
- Prepares its annual Corporate Governance Report and gets involved in the preparation of CGEM shareholders' annual general meetings

## ◆ APPENDIX AUDIT COMMITTEE



Patrick de la Chevardière  
Chair

**International Management. Finance.  
Manufacturing.**

Total Energies. Schlumberger.



Aruna Jayanthi

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

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



Wolf-Henning Scheider

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

ZF company, VDA. Mahle, Bosch, Partners Group.



Monique Leroux

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

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

### ACTIVITIES IN 2022

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

## ◆ APPENDIX **COMPENSATION AND APPOINTMENTS COMMITTEE**



Jean-Pierre Duprieu  
Chair

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

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



Anne-Sophie de la Bigne

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

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



Thierry Le Hénaff

**International Management. Manufacturing. Materials.**

Arkema, Total Energies.



Delphine Roussy

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

Philips, Michelin, various employee representation mandates.

### **ACTIVITIES IN 2022**

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

## ◆ APPENDIX **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**



Monique Leroux  
Chair

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

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



Jean-Michel Severino

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

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



Anne-Sophie de la Bigne

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

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



Jean-Christophe Laourde

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

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

### **ACTIVITIES IN 2022**

Cross-functional issues:

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

## APPENDIX

### THE SUPERVISORY BOARD AND ITS COMMITTEES

## EXPERTISE OF THE MEMBERS OF THE SUPERVISORY BOARD

### IT, Digital and Cyber Security

Barbara Dalibard  
Aruna Jayanthi  
Delphine Roussy

2023 : Cybercrime presented by leading external experts

### International Management

Barbara Dalibard  
Jean-Pierre Duprieu  
Aruna Jayanthi  
Patrick de la Chevardière  
Thierry le Hénaff  
Wolf-Henning Scheider

### Finance

Patrick de la Chevardière  
Monique Leroux  
Jean-Michel Severino

2023 : Environment (analysis of the Corporate Sustainability Reporting Directive – CSRD)

### Materials

Thierry le Hénaff

2022 : Access to the tire market and tire distribution (in particular, ecosystem issues, strategy and management)  
2023 : R&D, flexible composites, medical, hydrogen membranes

### Environment, Climate and Biodiversity

Jean-Pierre Duprieu  
Jean-Christophe Laourde  
Monique Leroux  
Jean-Michel Severino

### Manufacturing

Jean-Pierre Duprieu  
Anne-Sophie de la Bigne  
Patrick de la Chevardière  
Delphine Roussy  
Wolf-Henning Scheider

### Automotive and Mobility Sector

Barbara Dalibard  
Anne-Sophie de la Bigne  
Jean-Christophe Laourde  
Wolf-Henning Scheider

2022 : Access to the tire market and tire distribution (in particular, ecosystem issues, strategy and management)

### Social Environment, Human Resources and Governance

Jean-Pierre Duprieu  
Aruna Jayanthi  
Jean-Christophe Laourde  
Thierry le Hénaff  
Monique Leroux  
Delphine Roussy  
Jean-Michel Severino

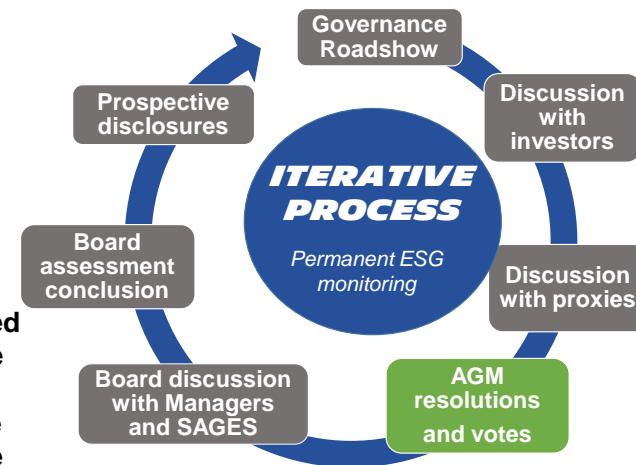


APPENDIX  
DYNAMIC GOVERNANCE

**MICHELIN'S GOVERNANCE EVOLVES THROUGH AN ITERATIVE PROCESS FACTORING IN SHAREHOLDERS' EXPECTATIONS**



- 2011
  - **Supervisory Board's powers strengthened**
  - **Managers' terms limited to 4 years**, previously unlimited term
- 2012
  - **Meaningful corporate purpose**  
*"We care about giving people a better way forward"*
- 2013
  - **Alignment of Managers' LTI and Group employee incentive schemes\***
- 2014
  - **Appointment of a Senior Independent Member** to the Supervisory Board
- 2015
  - **Corporate Social Responsibility Committee** created
  - **Change in Managers' LTI**
  - **Two Group employee representatives appointed**
- 2016
  - **Full and detailed disclosure** of the criteria and objectives of the **annual variable compensation of the managing chairman and the general manager**
- 2017
  - **Simplification** of the mechanism determining the **annual variable compensation of General Partners** and limitation of the portion attributable to the **Non-Managing General Partner (SAGES)**

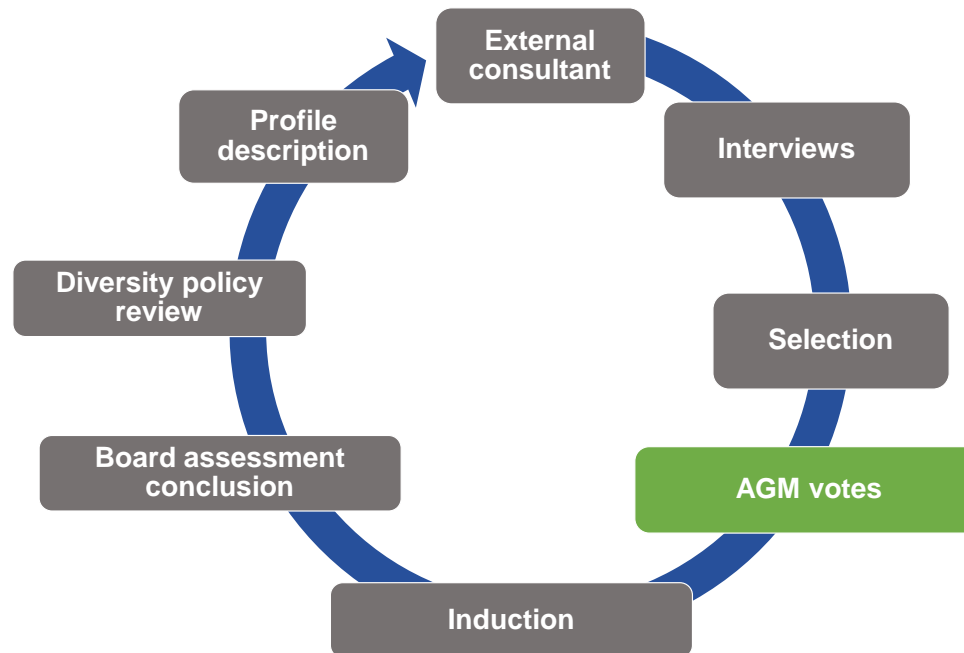




## APPENDIX

### **SUPERVISORY BOARD MEMBERS – NOMINATION PROCESS**

The Supervisory Board members\* are elected by shareholders for a four-year term, following an independent non-executive nomination process led by the independent Compensation and Appointments Committee

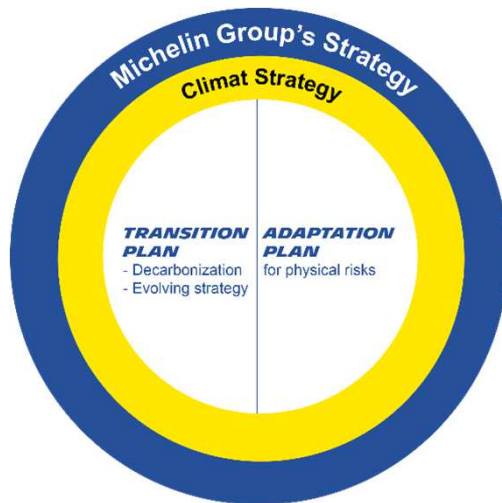


\* i) Excluding the employee representatives who are appointed following a different process, ii) French law and the Company's Bylaws prohibit the General Partners from taking part in the vote at Shareholders Meetings to elect members of the Supervisory Board and their shares are not included in the quorum for the related resolutions

◆ *APPENDIX*  
**CSR COMMITTEE: REVIEW OF THE CLIMATE STRATEGY STRUCTURED AROUND TRANSITION AND ADAPTATION PLANS TO ACHIEVE NET ZERO EMISSIONS BY 2050**

Structured around 2 key outcomes:

- A **TRANSITION plan** including initiatives to decarbonize direct and indirect activities in the value chain (Scopes 1, 2 & 3) and a strategic plan to support a low-carbon economy,
- An **ADAPTATION plan** to prepare for the physical impacts of climate change.



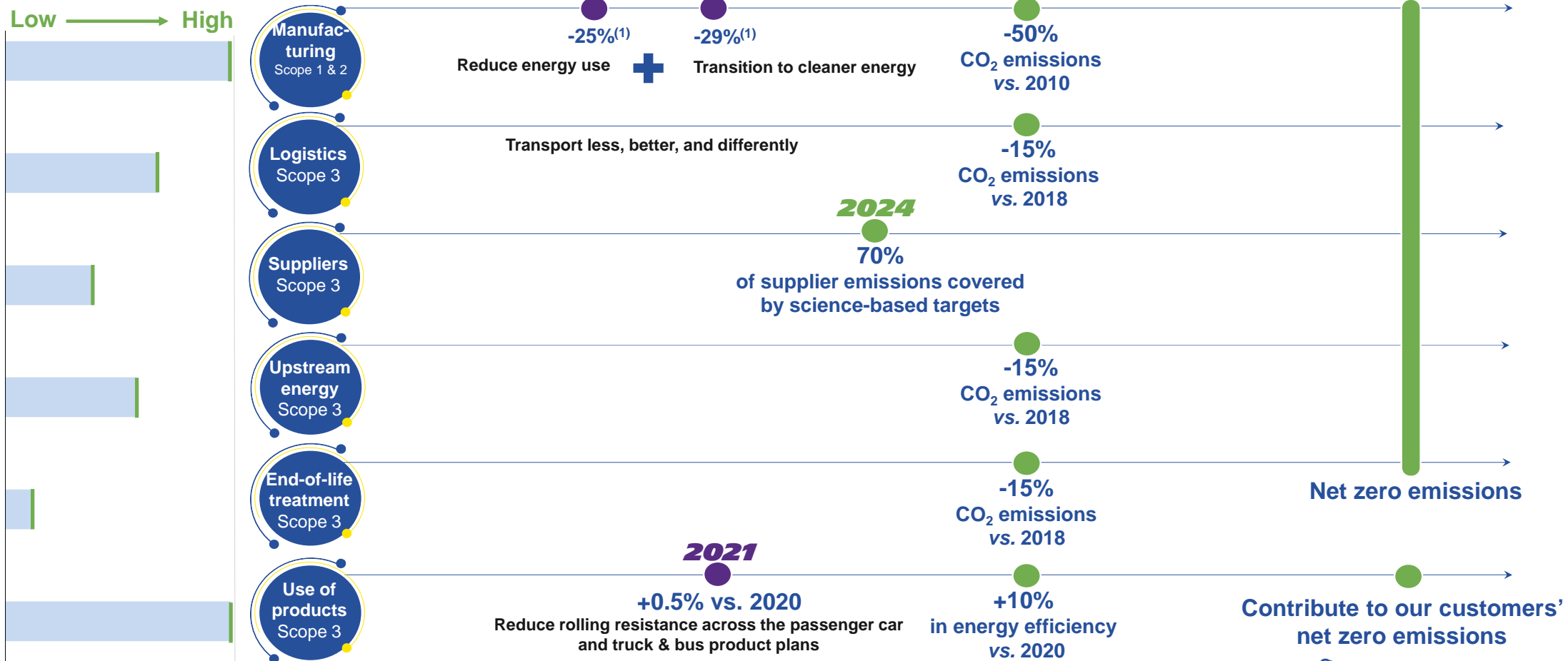
Based on 3 principles:

- **Achieve net-zero emissions by 2050** by fulfilling our external emission reduction commitments by 2030,
- **Identify risks and opportunities** based on climate change scenarios,
- **Transparently disclose information** to our external stakeholders.

**APPENDIX**  
**CSR COMMITTEE: REVIEW OF THE GROUP'S INVOLVEMENT IN THE UNITED NATIONS RACE TO ZERO CAMPAIGN**

Level of influence on the activity

Low → High



# APPENDIX

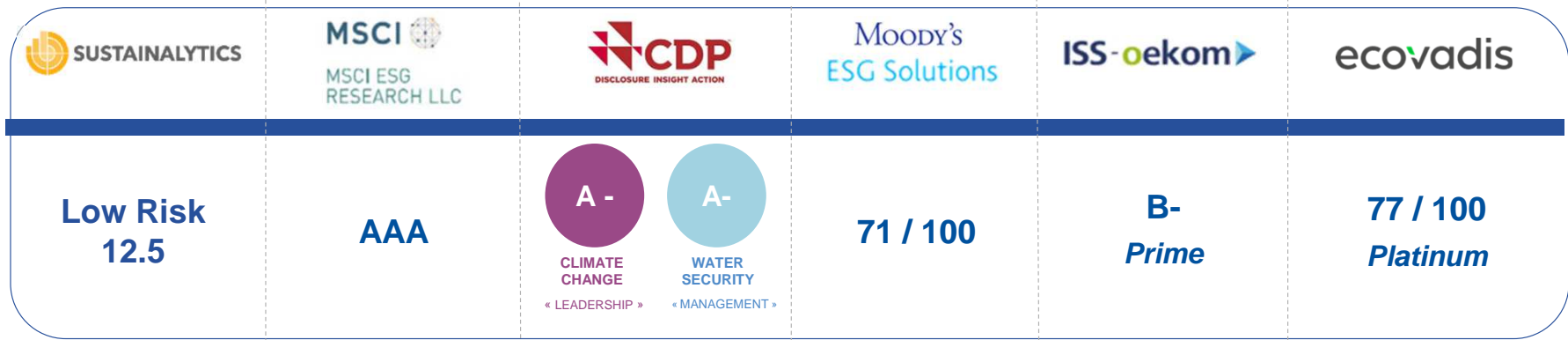


## NON-FINANCIAL PERFORMANCE: MICHELIN, A LEADING AND RECOGNIZED PLAYER IN SUSTAINABLE MOBILITY

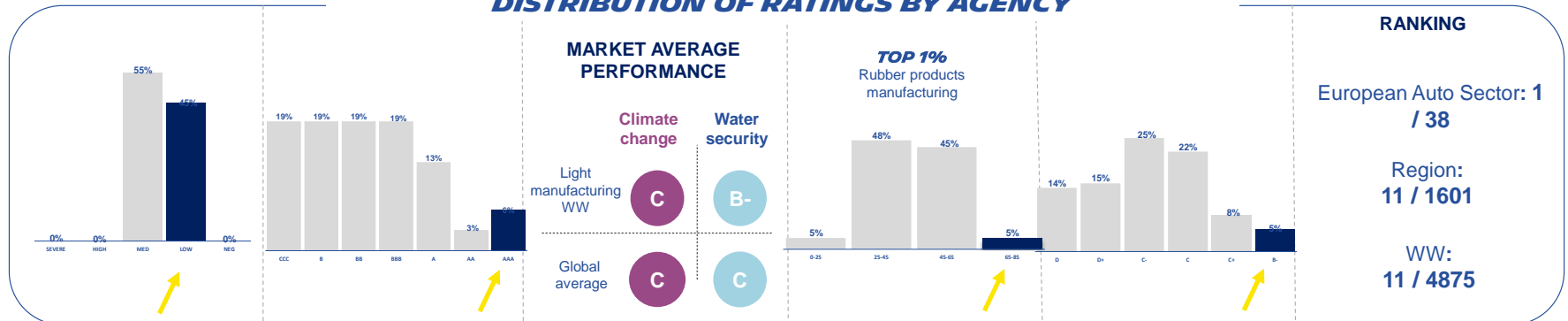
To assess its environmental, social and governmental (ESG) performance as objectively as possible, the Michelin Group tracks the ratings and scores assigned to it by the leading internationally recognized non-financial rating agencies

**MAJOR RATINGS**  
(as of June 30, 2023)

### MICHELIN RATINGS 2023



### DISTRIBUTION OF RATINGS BY AGENCY



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This presentation may contain a number of forward-looking statements. Although the Company believes that these statements are based on reasonable assumptions as at the time of publishing this document, they are by nature subject to risks and contingencies liable to translate into a difference between actual data and the forecasts made or inferred by these statements."

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