NOTICE OF MEETING 2019

ORDINARY AND EXTRAORDINARY SHAREHOLDERS’ MEETING

Friday, May 17, 2019, 9 a.m.
at the Polydome, place du 1er mai,
Clermont-Ferrand (Puy-de-Dôme), France
Notice of Meeting sent to joint owners of shares

Pursuant to the provisions of Article R. 225-68 of the French Commercial Code (Code de commerce), the Notice of Meeting must be sent to all joint owners of our Company's shares.

Please note that since, pursuant to the provisions of Article L. 225-110 of the French Commercial Code, the joint owners are to be represented by a single person, the proxy form and the mail voting form for the Meeting will be sent to the appointed representative of the joint ownership, whose name is carried in our register.
CONTENTS

AGENDA 4

MESSAGE FROM THE MANAGING CHAIRMAN 6

HOW TO PARTICIPATE IN THE SHAREHOLDERS’ MEETING 8

KEY FIGURES 12

BUSINESS REVIEW 16

REPORT OF THE MANAGING CHAIRMAN AND PROPOSED RESOLUTIONS 25

GOVERNANCE 70

REPORT OF THE SUPERVISORY BOARD 72

STATUTORY AUDITORS’ REPORTS 79

FIVE-YEAR FINANCIAL SUMMARY OF COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN 81

OPT FOR THE E-NOTICE OF MEETING… IF YOU HAVEN’T ALREADY DONE SO 83

REQUEST FOR ADDITIONAL DOCUMENTS 85
AGENDA

(The proposed resolutions are presented on pages 25 to 69).

- Report of the Managing Chairman

ORDINARY RESOLUTIONS

- Report of the Chairman of the Supervisory Board prepared in accordance with Article L. 226-10-1 of the French Commercial code
- Statutory Auditors’ Reports on the Company financial statements and the consolidated accounts for the year ended December 31, 2018, the Statutory Auditors’ Special report on the agreements governed by Article L. 226-10 of the French Commercial code and the Statutory Auditors report on the Company’s internal control and risk management procedures
- Approval of the Company financial statements for the year ended December 31, 2018
- Appropriation of net income for the year ended December 31, 2018 and approval of the recommended dividend
- Approval of the consolidated financial statements for the year ended December 31, 2018
- Related-party agreements
- Authorization for the Managers or any one of them to put in place a share buyback program, except during a public offer period, based on a maximum purchase price per share of €180
- Advisory vote on the components of the compensation due or awarded for 2018 to Jean-Dominique Senard, Managing Chairman
- Advisory vote on the components of the compensation due or awarded for 2018 to Florent Menegaux, Managing General Partner
- Advisory vote on the components of the compensation due or awarded for 2018 to Yves Chapot, General Manager
- Advisory vote on the components of the compensation due or awarded for 2018 to Michel Rollier, Chairman of the Supervisory Board
- Re-election of Barbara Dalibard as a member of the Supervisory Board
- Re-election of Aruna Jayanthi as a member of the Supervisory Board
- Supervisory Board compensation
EXTRAORDINARY RESOLUTIONS

- Authorization for the Managers, or any one of them, to grant new or existing performance shares to employees of the Company and Group subsidiaries (other than the Managers), without pre-emptive subscription rights for existing shareholders
- Authorization for the Managers or any one of them to reduce the Company's capital by canceling shares
- Amendment of the Bylaws – Issuance of bonds
- Powers to carry out formalities
MESSAGE FROM THE MANAGING CHAIRMAN

Dear Michelin Shareholder,

I am pleased to invite you to the Annual Meeting of Michelin Shareholders, to be held on Friday, May 17, 2019 from 9 a.m. at the Polydome conference center in Clermont-Ferrand, France.

The Annual Shareholders Meeting is a special moment for finding out more about the Company, hearing other people’s viewpoints and sharing your ideas. It gives you the chance to cast your vote so that you can participate in decisions that are important for the Group, regardless of the number of shares you own.

This year’s Meeting is also an opportunity to review the highlights of 2018, a transformative year for Michelin in which we stepped up the pace of external growth to unprecedented levels and confirmed our solid financial performance. In a constantly changing economic environment, Michelin remained true to its values and its purpose of “Offering everyone a better way forward”. The Group continued to work toward achieving its Ambitions, leveraging the dedication of its teams and the strength of its governance model.

Reflecting our commitment to distribute profits to shareholders in line with previous years, we recommend that you approve a dividend of €3.70 per share, an increase of 4%.

"I hope that shareholder attendance will be high at this year’s Meeting"
As you know, this will be a unique year for Michelin. My term of office as Managing Chairman will come to an end at the close of the 2019 Annual Shareholders Meeting. I would like to take this opportunity to thank you – and all the members of the Company’s governance team, shareholders, stakeholders and employees – for your trust.

I know that Florent Menegaux, who will succeed me as Managing Chairman, and Yves Chapot will form the team that successfully leads Michelin’s growth and secures its future in the best possible conditions.

I encourage you to read this brochure ahead of the Meeting to find all the practical information you need for participating, as well as the Meeting agenda and the text of the resolutions submitted for your approval.

Thank you for your time and attention.

Sincerely yours,

Jean-Dominique Senard
Managing Chairman, Michelin Group
All shareholders are eligible to participate in Shareholders’ Meetings, regardless of how many shares they own.

A - FORMALITIES PRIOR TO PARTICIPATING IN THE SHAREHOLDERS’ MEETING

To attend the Meeting in person, participate by proxy or vote online or by post, your shares must be recorded in the Company’s share register in your name no later than 12:00 am CET on the second business day preceding the Meeting (i.e. midnight CET on the morning of May 15, 2019).

Only shareholders that fulfill this requirement by midnight CET on the morning of May 15, 2019 on the basis specified in Article R. 225-85 of the French Commercial Code (Code de commerce), as described above, will be entitled to participate in the Meeting.

Note that all Michelin shares are registered shares and all shareholders are therefore identified by name in the Michelin share register (with a Michelin ID), whatever their country of residence.

B - HOW TO PARTICIPATE IN THE SHAREHOLDERS’ MEETING

1. IF YOU WISH TO ATTEND THE MEETING IN PERSON, YOU MAY REQUEST AN ADMISSION CARD IN ADVANCE, EITHER BY:

   making an online request according to the instructions provided in the email containing the Notice of Meeting

   or by returning the form for casting your vote by checking the box “I wish to attend the Shareholders’ Meeting” and using the reply envelope enclosed with the Notice of Meeting
2. **IF YOU ARE UNABLE TO ATTEND THE MEETING IN PERSON AND WISH TO VOTE BY POST OR ONLINE OR GIVE PROXY TO THE MEETING CHAIRMAN OR ANY OTHER PERSON, YOU MAY EITHER:**

- return the proxy/postal voting form using the pre-addressed envelope that was enclosed with the Notice of Meeting, making sure that it is received at least three days before the date of the Meeting, i.e. no later than **May 14, 2019**;
- cast your vote online prior to the Meeting:

  If you hold Michelin shares through your own financial intermediary and you opted for the e-Notice of Meeting, you will receive an email with the Notice of Meeting and a link to the secure online voting site [https://michelin.voteassemblee.com](https://michelin.voteassemblee.com), where you can vote. Please use the access code given in the email, and the password sent to you in a separate email the same day.

If your shares are registered directly in the Company's share register (i.e. you receive an account statement from Société Générale Securities Services), you may connect to the website [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com) using the Sharinbox access code indicated on the voting form sent to you by post, or by email if you chose to receive your Notice of Meeting by email. You may use your usual Sharinbox password to access the site. The password can be reset by clicking on the «Get my codes» link on the site's homepage.

Other shareholders may also opt to vote online. To do so, they must send a request by email to generalmeeting.michelin@sgss.socgen.com indicating their last name, first name, email address and date of birth at least 35 days before the Meeting. In reply, Société Générale will send them an email with a link to the secure voting site, followed by another email with the password to vote.

The website will be open from 9:00 am on **April 15, 2019** to 3:00 pm on **May 16, 2019** CET. To avoid overloading the site, shareholders are encouraged not to wait until the last minute to vote.

3. In accordance with Article R. 225-79 of the French Commercial Code, you may also **give or withdraw proxies** by sending an email as follows:

- taking care to sign with an electronic signature obtained from an accredited certification service provider, to: mandatAG2019@michelin.com. The email should indicate your name, address and Michelin ID, as well as the name of the person to whom you are giving proxy or from whom the proxy is being withdrawn;
- only duly completed and signed proxy or withdrawal requests received by **May 14, 2019** will be taken into account. The email address mandatAG2019@michelin.com should only be used to send emails giving or withdrawing proxies. Requests or notifications concerning other matters will not be taken into account or processed.
C – REQUEST TO ADD RESOLUTIONS OR ITEMS TO THE MEETING AGENDA, WRITTEN QUESTIONS AND CONSULTATION OF DOCUMENTS MADE AVAILABLE TO SHAREHOLDERS

1. One or several shareholders representing at least the percentage of capital specified in the applicable laws and regulations may request the inclusion of certain resolutions or items on the Meeting agenda on the basis specified in Articles R. 225-71 and R. 225-73 of the French Commercial Code. Requests to include resolutions or items on the agenda should be sent by shareholders, indicating their Michelin ID, to: Compagnie Générale des Établissements Michelin, for the attention of Madame Isabelle Maizaud, 23, place des Carmes-Déchaux, 63000 Clermont-Ferrand, France, by registered letter with return receipt requested, within twenty days of publication of this notice, i.e. no later than April 9, 2019.

Each request should include the text of the proposed resolution, including a short description of why it is being proposed, or the reasons for requesting the inclusion of the agenda item.

For the proposed resolutions or agenda items to be discussed at the Meeting, your shares must be recorded in the Company’s share register no later than 12:00 am CET on the second business day preceding the Meeting date (i.e. midnight CET on the morning of May 15, 2019 at the latest).

The texts of any resolutions tabled by shareholders will be posted as soon as possible on the Company’s website (https://www.michelin.com).

2. In accordance with Article R. 225-84 of the French Commercial Code, written questions should be submitted to Compagnie Générale des Établissements Michelin, for the attention of Madame Isabelle Maizaud, 23, place des Carmes-Déchaux, 63000 Clermont-Ferrand, France, by registered letter with return receipt requested, within twenty days of publication of this notice, i.e. no later than April 9, 2019.

Only questions received from shareholders whose shares are recorded in the Company’s share register will be taken into account.

3. In accordance with the applicable laws and regulations, all documents required to be made available to shareholders in connection with Shareholders’ Meetings will be made available at the Company’s headquarters, 23 place des Carmes-Déchaux, 63000 Clermont-Ferrand, France, as from the date of publication of the Notice of Meeting or fifteen days prior to the Meeting, depending on the document concerned. The documents provided for in Article R. 225-73-1 of the French Commercial Code will be posted on the Company’s website: https://www.michelin.com, from the twenty-first day preceding the Meeting, i.e. March 20, 2019.

The Managing Chairman
FOUR KEY DATES TO SAVE FOR PARTICIPATING IN THE SHAREHOLDERS’ MEETING

Tuesday, May 14, 2019
Deadline for receiving reply envelopes (paper format).

Wednesday, May 15, 2019
Deadline to be recorded in the Company’s share register (as a shareholder).

Thursday, May 16, 2019
at 3:00 pm
Deadline for electronic vote (the voting site will be closed).

Friday, May 17, 2019
at 9:00 am
Shareholders’ Meeting of Compagnie Générale des Établissements Michelin, at: Polydome, place du 1er-Mai, 63000 Clermont-Ferrand, France.
KEY FIGURES

SOCIAL

117,400
EMPLOYEES

- Productions operators: 61.8%
- Administrative employees, technicians and supervisors: 8.7%
- Management: 29.5%

WORKPLACE SAFETY TCIR\(^{(1)}\)

- 2015: 2.7
- 2016: 2.5
- 2017: 2.1
- 2018: 1.9

(1) Total Case Incident Rate: the number of incidents recorded per 200,000 hours worked.

97% OF EMPLOYEES TRAINED IN 2018

76% OF MANAGERS PROMOTED FROM WITHIN

SOCIAL

SOCIETAL

13 BILLION IN PURCHASES 2018

Confirmed\(^{(2)}\) in %

- 2016: 74%
- 2017: 77%
- 2018: 78%

(2) With Michelin standards.

PAID WORKING DAYS DEVOTED TO SUPPORTING THE LOCAL COMMUNITY

- 2015: 27,733
- 2016: 31,612
- 2017: 33,800
- 2018: 34,800

LOCAL JOBS CREATED WITH THE HELP OF MICHELIN DEVELOPMENT\(^{(3)}\)

- 2015: 1,665
- 2016: 1,695
- 2017: 1,918
- 2018: 1,822

(3) Active in labor markets surrounding Group facilities, Michelin Development has helped to create nearly 36,000 jobs since 1990 in France, Spain, Italy, the United Kingdom, Canada and the United States.
### Financial

#### Net Income

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>21,199</td>
<td>20,907</td>
<td>21,960</td>
<td>22,028</td>
</tr>
</tbody>
</table>

#### Segment Operating Income and Operating Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>12.2%</td>
<td>12.9%</td>
<td>12.5%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Value (in millions)</td>
<td>2,577</td>
<td>2,692</td>
<td>2,742</td>
<td>2,775</td>
</tr>
</tbody>
</table>

#### Net Income

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,163</td>
<td>1,667</td>
<td>1,693</td>
<td>1,660</td>
</tr>
</tbody>
</table>

### Environmental

#### Energy Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value (in GJ per tonne)</td>
<td>13.1</td>
<td>12.5</td>
<td>12.1</td>
<td>12.0</td>
</tr>
</tbody>
</table>

#### CO₂ Emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value (in tonnes per tonne)</td>
<td>1.09</td>
<td>0.99</td>
<td>0.89</td>
<td>0.88</td>
</tr>
</tbody>
</table>

#### Water Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value (in cu.m per tonne)</td>
<td>10.5</td>
<td>9.3</td>
<td>8.6</td>
<td>8.1</td>
</tr>
</tbody>
</table>
KEY FIGURES 2018

117,400
PEOPLE IN

170
COUNTRIES

+5,000
DEALERSHIP,
DISTRIBUTION HUBS
AND SERVICE CENTERS

AUTOMOTIVE AND RELATED DISTRIBUTION

No.1
THE WORLD LEADER IN
ENERGY-EFFICIENT TIRES

31
FACILITIES

16
COUNTRIES

2018 CONTRIBUTION

51% OF CONSOLIDATED SALES

47% OF OPERATING INCOME(1)

(1) Segment operating income.
ROAD TRANSPORTATION AND RELATED DISTRIBUTION

No. 1
THE WORLD LEADER IN ENERGY-EFFICIENT TIRES

27% OF CONSOLIDATED SALES

19% OF OPERATING INCOME(1)

21 FACILITIES*

14 COUNTRIES

2018 CONTRIBUTION

SPECIALTY BUSINESSES AND RELATED DISTRIBUTION

No. 1
THE WORLD LEADER IN RADIAL EARTHMOVER, AGRICULTURAL AND AIRCRAFT TIRES

22% OF CONSOLIDATED SALES

34% OF OPERATING INCOME(1)

14 FACILITIES*

7 COUNTRIES

No. 1
THE EUROPEAN LEADER IN MOTORCYCLE AND SCOOTER TIRES

* Excluding Camso and Fenner.

(1) Segment operating income.
HIGHLIGHTS 2018

In a challenging environment, €2,775 million in segment operating income\(^{(1)}\), up €304 million or 11% at constant exchange rates.

- Sales up 4.1% at constant exchange rates.
- Volumes up 0.9%: after declining in the first quarter, volumes rose by 2% over the following nine months, in markets heavily disrupted by the contraction in demand in the original equipment Passenger car tire segment and in China.
  - Sustained fast growth in the Specialty businesses.
  - Further market share gains in the 18” and larger Passenger car tire segment.
  - 2.7% rebound in Truck tire volumes in the second half.
- The price-mix/raw materials effect added a net €286 million, as expected.
  - The price effect totaled €255 million, confirming disciplined price management.
  - The mix effect was a very strong €189 million, led by the growth in 18” and larger tire sales, the Specialty businesses and the smaller percentage of OE business in the sales mix.
- Priority focus was maintained on protecting margins, particularly in markets impacted by steep currency declines against the euro.
- Unfavorable currency effect, totaling a negative €271 million.
- Competitiveness plan stepped up in the second half, lifting total savings to €317 million for the year and offsetting the impact of a higher inflation cost (up €38 million year-on-year).
- €1,274 million in structural free cash flow, confirming the Group’s commitment to improvement.
- Faster acquisitions-led growth (Fenner and Camso), in line with Group strategy, and greater access to the North American market (TBC joint venture).
- Proposed dividend of €3.70 per share, representing a payout of 36.4% of consolidated net income before non-recurring items.

\(^{(1)}\) Formerly known as operating income from recurring activities, segment operating income is the performance metric for the reporting segments. It is stated before the amortization of brands and customer lists recognized on the acquisition of the corresponding companies, which is included in other operating income and expenses.
The global Original Equipment and Replacement Passenger car and Light truck tire market was stable in 2018, with a slight 1% gain in the first half erased by a 1% decline in the second, caused by the 5% drop in Original Equipment demand.

**Original equipment**

- In Europe, demand declined by 2% overall during the year, reflecting the combined impact of (i) a 2% contraction in Western Europe, pulled down by the drop in automobile markets following implementation of the WLTP standards on September 1, with Original Equipment demand down 6% in the second half; and (ii) a robust 7% increase in Eastern Europe.

- The North American market ended the year down 1%. After declining by 5% in the first half in the wake of the contraction that began in second-half 2017, demand turned upwards in the second six months for a 2% gain, lifted by strong growth in automobile output off of favorable comparatives.

- Demand in Asia (excluding India) tumbled 4% overall in 2018, as the slight 1% gain in the first half was offset by the sudden drop-off late in the year, which resulted in an 8% decrease for the second half. The decline was primarily caused by the downturn in the Chinese market, which swung from a 3% gain in the first six months to a 13% plunge starting in July, due to the highly uncertain economic environment created, in particular, by the trade war with the United States. In the rest of the Asian market, demand was down 1% for the year.

- In Central America, Original Equipment demand rose by 1% over the year, with brisk growth in the first half and a slowdown in the second half.

- The South American market rose 3% overall, with an 10% gain in the first half followed by a 3% decline in the second, dragged down by the crisis in Argentina and the uncertain political environment in Brazil.

- In the Africa/India/Middle East region, the market rose by 4% overall, led by growth in India in the first half.
Replacement

The European market grew by 2% overall in 2018, as demand rose by a vigorous 11% in Eastern Europe but only by a weak 1% in Western Europe. The robust growth observed in France and Italy (up 5%), Polan, the Nordic countries (up 4%) and Spain (up 3%) was amply offset by the impact of Brexit on the UK market (down 5%) and by the crisis in Turkey (down 9%). Sales of All-Season tires remained firm throughout the year, acting as the primary driver of market growth in Europe.

In a favorable economic environment, demand in North America rose by 3% overall, with an acceleration in the second half (to 4% from 2% in the first half) fueled by a surge in Chinese tire imports ahead of the introduction of additional import duties.

In Asia (excluding India), demand ended the year down 2% overall. After remaining relatively flat in the first half (down 1%), the market weakened, losing 2% in the second half as the 6% contraction in China was partially offset by a 2% increase in the rest of the region, led by Japan (up 2%) and South Korea (up 3%).

The Central American market rose by 4% over the year, with Mexico driving a much faster performance in the second half (up 7%).

In South America, demand fell 8% over the year with a steep 13% plunge in the second half, reflecting the impact of the recession in Argentina (down 18%) and the political and economic instability in Brazil (down 15%).

In the Africa/India/Middle East region, demand was stable for the year, with a 3% upturn in the second half following on from a 2% decline in the first half. The robust 6% growth in the Indian market was offset by a contraction in the Middle East and Africa, due to political instability in certain countries and weakness in the oil-price dependent economies.

TRUCK TIRES (RADIAL & BIAS)

<table>
<thead>
<tr>
<th></th>
<th>Europe including Russia &amp; CIS*</th>
<th>Europe excluding Russia &amp; CIS*</th>
<th>North America</th>
<th>Central America</th>
<th>Asia (excluding India)</th>
<th>South America</th>
<th>Africa/India Middle East</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original equipment</td>
<td>+3%</td>
<td>+4%</td>
<td>+19%</td>
<td>-8%</td>
<td>-6%</td>
<td>+54%</td>
<td>+1%</td>
</tr>
<tr>
<td></td>
<td>Replacement</td>
<td>+0%</td>
<td>-2%</td>
<td>+7%</td>
<td>+4%</td>
<td>-5%</td>
<td>+2%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Fourth quarter 2018/2017</th>
<th>Europe including Russia &amp; CIS*</th>
<th>Europe excluding Russia &amp; CIS*</th>
<th>North America</th>
<th>Central America</th>
<th>Asia (excluding India)</th>
<th>South America</th>
<th>Africa/India Middle East</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original equipment</td>
<td>-1%</td>
<td>+0%</td>
<td>+28%</td>
<td>+16%</td>
<td>-4%</td>
<td>+31%</td>
<td>+10%</td>
<td>+3%</td>
</tr>
<tr>
<td></td>
<td>Replacement</td>
<td>-1%</td>
<td>-3%</td>
<td>+5%</td>
<td>+6%</td>
<td>-8%</td>
<td>-4%</td>
<td>-0%</td>
<td>-4%</td>
</tr>
</tbody>
</table>

* Including Turkey.
The number of new Truck tires sold worldwide declined by 1% in 2018. After gaining 2% in the first half, led by demand in North America, the market fell back 3% in the second six months, reflecting strong headwinds from the 12% drop in Chinese demand off of very high comparatives in an uncertain economic environment.

Original equipment

- In Europe, the Original Equipment market rose by 3% over the year. After a strong 6% showing in the first half, led by demand in Germany (up 3%), Poland (up 24%) and Turkey (up 41%), growth slowed significantly to just 1% in the second half due to the downturn in Turkey and Poland. Demand remained flat in Eastern Europe, over the year.
- In a highly favorable economic environment, the North American market delivered very strong growth throughout the year, for a 19% gain overall.
- Demand in Asia (excluding India) contracted by 6% in 2018, with the Chinese market plunging 18% in the second half alone due to an unfavorable basis of comparison and the highly uncertain economic environment created by the trade war with the United States. Demand in the rest of the region was shaped by the 3% decline in Japan, which was partially offset by vibrant growth in the Indonesian market.
- In South America, the market maintained the rebound that began in 2017, soaring 54% on the back of strong demand in Brazil.
- The Africa/India/Middle East market rose by 10% over the year, reflecting the 15% gain in Indian demand off of favorable comparatives and a buoyant economic environment.

Replacement

- The European market was stable over the year. After a 2% gain in the first half led by a 9% increase in Eastern Europe, demand retreated by 2% in the second half due to the steep fall-off in Turkey and Poland combined with robust 4% growth in Eastern Europe.
- Demand in North America rose by 7% overall, lifted by the robust US economy and an increase in Chinese tire imports late in the year ahead of the possible introduction of new import duties. The Canadian market cooled by a slight 1% over the year.
- Replacement tire markets in Asia (excluding India) retreated by 5% in 2018. After declining by 2% in the first half, demand dropped another 8% in the second half, primarily due to the collapse in the Chinese market caused unfavorable comparatives and the uncertain economic environment created by the trade war with the United States.
- Demand in Central America ended the year up a very strong 12% overall, despite modest 1% growth in the Mexican market.
- The South American market rose 2% overall, with a 5% gain in the first half led by Brazil (up 8%) and Argentina, followed by a 1% decline in the second half, reflecting the slowdown to 3% growth in Brazil and the collapse of the Argentine market.
- In the Africa/India/Middle East region, new tire demand edged back 1%, with (i) flat growth overall in India, where radial tire sales advanced 12%; and (ii) a 1% decline in the Middle East and African markets, where the political and economic environment remains unstable.
SPECIALTY TIRES

- **Mining tires**: the mining tire market is still enjoying robust growth in demand from international mining companies, oil companies and regional mines.
- **Agricultural and construction tires**: in the agriculture segment, growth in the Original Equipment markets was mixed, while replacement demand was stable, impacted in Europe by a sharp upturn in Asian imports. In infrastructure, demand continued to trend upwards in both the Original Equipment and replacement segments.
- **Two-wheel tires**: motorcycle markets experienced fast growth in both Europe and North America. Demand in the commuting segment remains very strong in the new markets.
- **Aircraft tires**: led by the increase in passenger traffic, the commercial aircraft tires market is continuing to expand, with more pronounced gains in the radial segment.

2018 SALES AND RESULTS

SALES

Sales stood at €22,028 million for the year ended December 31, 2018, up 0.3% from 2017 due to the combined impact of the following factors:

- A 0.9% or €195 million increase from higher volumes and a €267 million increase from changes in the scope of consolidation (mainly the consolidation of Fenner PLC over seven months and the deconsolidation of the TCi chain following the creation of the TBC joint venture with Sumitomo Corporation).
- A €444 million increase from the highly favorable price-mix effect. Prices added €255 million, thanks to (i) the full-year impact of the price increases introduced in 2017 in non-indexed businesses to offset the impact of higher raw materials costs, as part of the Group’s disciplined price management; and (ii) the €10 million contribution over the year from price adjustments in the businesses subject to raw materials indexation clauses. The mix effect added another €189 million, reflecting the still highly positive product mix, the favorable impact of the rebound in the mining tire business and the decline in the percentage of Original Equipment business in the sales mix.
- A €838 million decrease from the unfavorable currency effect, primarily stemming from US dollar/euro rates in the first half and to the currency crises in Argentina, Turkey and other emerging markets in the second part of the year.

RESULTS

Segment operating income amounted to €2,775 million or 12.6% of sales, versus €2,742 million and 12.5% in 2017.

The 2018 performance reflected (i) a €56 million increase from changes in the scope of consolidation following the inclusion of Fenner PLC over the last seven months of the year and the deconsolidation of TCi; (ii) a €57 million increase from the 0.9% growth in volumes; (iii) a robust €444 million increase from the price-mix effect thanks to disciplined price management, which cushioned (iv) the €158 million adverse impact from raw materials costs. The €317 million increase in costs was entirely offset by €317 million in competitiveness gains. Depreciation and amortization expense rose by €40 million and start-up costs by €41 million.
Other factors totaled a negative €14 million for the year. Lastly, the highly unfavorable currency effect trimmed €271 million from the reported figure. The €225 million in net other operating expenses corresponded primarily to the €146 million provision for the closure of the Dundee plant, the €39 million in amortization of acquired brands, and the costs of acquiring Fenner and Camso. In all, net income came to €1,660 million.

NET FINANCIAL POSITION

Free cash flow ended the year at a negative €2,011 million, a €2,673 million decline resulting from the acquisitions of Fenner, A.T.U and Camso and the creation of the TBC joint venture with Sumitomo Corporation. Based on this free cash flow, less the payment of €637 million in dividends and the €75 million in share buybacks, consolidated gearing stands at 31%, corresponding to net debt of €3,719 million.

SEGMENT INFORMATION

On January 1, 2018, Michelin introduced a new business organization, which has led to the following changes in the reporting segments:

(1) Replacement Light truck tires have been transferred from the Automotive segment (formerly Passenger car and Light truck tires) to the Road transportation segment (formerly Truck tires).

(2) Construction Truck tires have been transferred from the Road transportation reporting segment to the Specialty businesses segment.

<table>
<thead>
<tr>
<th>Segment Information</th>
<th>Sales (in € millions)</th>
<th>Segment operating income</th>
<th>Segment operating margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive &amp; related distribution</td>
<td>11,340</td>
<td>11,953</td>
<td>1,314</td>
</tr>
<tr>
<td>Road transportation &amp; related distribution</td>
<td>5,852</td>
<td>5,946</td>
<td>513</td>
</tr>
<tr>
<td>Specialty businesses &amp; related distribution</td>
<td>4,836</td>
<td>4,061</td>
<td>948</td>
</tr>
<tr>
<td>GROUP</td>
<td>22,028</td>
<td>21,960</td>
<td>2,775</td>
</tr>
</tbody>
</table>

Automotive & related distribution

Sales in the Automotive and related distribution segment declined by 5.1% to €11,340 million, from €11,953 million in 2017, mainly due to a scope effect (TCi deconsolidation) and adverse movements in exchange rates.

Segment operating income amounted to €1,314 million or 11.6% of sales, versus €1,464 million and 12.3% the year before.
The decline in segment operating margin was primarily due to adverse movements in exchange rates. The steady enhancement in the product mix, reflecting (i) the sustained success of the MICHELIN lines, particularly the MICHELIN Primacy4, MICHELIN CrossClimate +, X Ice North4 and Alpin6 tires, and (ii) the strong growth in the 18” and larger segment (up 10% in a market up 9%), as well as the disciplined pricing policy pursued throughout the year all helped to more than offset the decline in volumes.

**Road transportation & related distribution**

Sales in the Road transportation and related distribution segment amounted to €5,852 million in 2018, a 1.6% decline from the €5,946 million reported the year before.

Segment operating income came to €513 million or 8.8% of sales, compared with €483 million and 8.1% in 2017.

The improvement was led by a strong price-mix effect, which amply offset the highly unfavorable currency effect. New products and services continued to be introduced over the period, which was shaped by the success of the BFGoodrich lines in Europe and of the MICHELIN Agilis CrossClimate light truck and van tires.

**Specialty businesses & related distribution**

Sales by the Specialty businesses segment stood at €4,836 million for the year, up 19.1% from €4,061 million in 2017.

Segment operating income amounted to €948 million or 19.6% of sales, versus €794 million and 19.6% the year before.

The increase in segment operating income corresponded to the robust growth in volumes led by the sustained rebound in demand for the Group’s mining tires, the solid performance of the other businesses, the consolidation of Fenner over the last seven months of the year, and a strong price mix effect that offset unfavorable exchange rate movements.

**COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN**

Compagnie Générale des Établissements Michelin ended the year with net income of €813 million, compared with net income of €1,029 million in 2017.

The financial statements were presented to the Supervisory Board at its meeting on February 8, 2019. An audit was performed and the auditors’ reports on the consolidated and company financial statements were issued on February 11, 2019.

The Chief Executive Officer will call an Annual Shareholders Meeting on Friday, May 17, 2019 at 9:00 am in Clermont-Ferrand.

He will ask shareholders to approve the payment of a dividend of €3.70 per share, compared with €3.55 in respect of the previous year.
CORPORATE SIMPLIFICATION PROJECT

The Group is planning to simplify its legal structure by the first half of 2020, subject to obtaining the necessary agreements.

As part of this streamlining process, the Group’s external financing operations would be transferred to Compagnie Générale des Établissements Michelin, the Group’s parent company, while intra-group financing transactions would be retained by a dedicated subsidiary.

In addition, all of the international subsidiaries and affiliates would be consolidated by Compagnie Générale des Établissements Michelin, as is already the case for the French subsidiaries and affiliates.

2018 NON-FINANCIAL RATINGS

In 2018, Michelin was included in several non-financial performance indices in recognition of its sustainable development and mobility approach:

► VigeoEiris – Michelin was ranked number 1 for environmental, social and governance (ESG) performance in the automotive industry and number 10 worldwide (out of more than 4,000 companies).

► EcoVadis – Michelin achieved a “Gold CSR Rating” for its environmental, social, Human rights and sustainable purchasing policies.

► CDP Climate Change – Included in the “Climate Change A List 2018”, Michelin is one of 127 companies worldwide recognized as being pioneers in the fight against climate change. More than 7,000 companies were assessed by the CDP in 2018.

► CDP Supply Chain – Michelin was named “Supplier Engagement Leader 2019” for its initiatives and strategy to support the energy transition in its supply chain.

These ratings are testimony to Michelin’s unwavering commitment to sustainable mobility and development.

OUTLOOK

In 2019, the Passenger car and Light truck tire markets are expected to be mixed, with modest growth in the Replacement segment and a contraction in the Original Equipment segment. Truck tire markets are expected to remain stable overall, given the decline in demand in China, while the Mining, Aircraft and Two-wheel tires markets should remain dynamic. Based on January 2019 exchange rates, the currency effect is expected to have a slightly favorable impact on segment operating income. The impact of raw materials costs is currently estimated at around a negative €100 million.

In this environment, Michelin’s objectives for 2019 are: volume growth in line with global market trends; segment operating income exceeding the 2018 figure at constant exchange rates and before the estimated €150 million contribution from Fenner and Camso; and structural free cash flow of more than €1.45 billion(1).

(1) Of which €150 million from the application of IFRS 16.
2018 HIGHLIGHTS

- Michelin and Sumitomo Corporation create the second largest tire wholesaler in the United States and Mexico by folding their wholesale and retail operations into a 50/50 joint venture (January 3, 2018).
- Successful non-dilutive convertible 2023 bond issue (January 5, 2018).
- Market launch of the MICHELIN Primacy4 in Europe (January 2018).
- Mobivia, the European leader in multi-brand vehicle servicing and parts, joins forces with Michelin to expand its A.T.U chain in Germany, Switzerland and Austria by selling the Group a 20% stake in the chain (February 12, 2018).
- Implementation of the partial share buyback management agreement (February 14, 2018).
- Launch of the MICHELIN AGILIS CrossClimate light truck and van tire (February 22, 2018).
- The MICHELIN Road5 high-tech Sport Touring tire (February 22, 2018).
- CFAO and Michelin team up to market high-quality tires in Kenya and Uganda (March 21, 2018).
- MICHELIN’s MyBestRoute app wins the SITL Technologies and Information Systems Innovation Award (March 22, 2018).
- Jean Dominique Senard’s succession plan: to prepare for the end of the Chief Executive Officer’s term of office at the close of the 2019 Annual Meeting, shareholders at the May 18, 2018 Annual Meeting elected Florent Menegaux as General Managing Partner and Yves Chapot as Managing Partner.
- Total and Michelin join forces to launch an ambitious worldwide road safety education program (May 30, 2018).
- Acquisition of Fenner PLC, a world leader in conveyor belt solutions and reinforced polymer products (May 31, 2018).
- In 2048, MICHELIN tires will be made using 80% sustainable materials and 100% of tires will be recycled (May 31, 2018).
- Movin’On – Engaged, innovative leaders and executives convene in Montreal for the second edition of the global sustainable mobility summit (June 1, 2018).
- Michelin and Maxion Wheels receive a 2018 CLEPA Innovation Award for the ACORUS Flexible Wheel (June 18, 2018).
- MICHELIN Track Connect, the first fully networked solution for car tires, wins the 2018 Creative Prize at the Tire Cologne trade fair (June 18, 2018).
- First edition of the MICHELIN guide Guangzhou (June 26, 2018).
- Successful three-tranche bond offering for a total amount of €2.5 billion (August 29, 2018).
- Michelin announces the launch of a new employee share ownership plan (September 17, 2018).
- In Singapore, Michelin receives the “Best of the Best” award from Red Dot for its VISION concept (September 28, 2018).
- Michelin Man named “Icon of the Millennium” (October 2, 2018).
- Michelin launches the MICHELIN Alpin6, the winter tire that delivers lasting performance (October 2, 2018).
- Michelin presents sustainable mobility at Paris Motorshow 2018 (October 2, 2018).
- Michelin announces its intention to close its Dundee plant in the United Kingdom in 2020 (November 5, 2018).
- A new synthetic rubber plant in Indonesia for the Group (November 29, 2018).
- Michelin completes the acquisition of Camso, thereby strengthening its global leadership position in the Specialty businesses (December 18, 2018).

A full description of 2018 highlights may be found on the Michelin website: https://www.michelin.com/en/
REPORT OF THE MANAGING CHAIRMAN AND PROPOSED RESOLUTIONS

Introduction

Ongoing dialogue between shareholders and issuers, both before and after Annual Shareholders Meetings, is essential to enable shareholders to effectively exercise their role, and for companies to enhance their communications.

One of the ways that companies can ensure the effectiveness of such dialogue is by making additional efforts to clearly explain the content, rationale and import of the resolutions submitted for shareholder approval.

In its “Final Report on General Meetings of Shareholders of Listed Companies” published on July 2, 2012, a working group set up by the French securities regulator (the AMF) proposed, inter alia, that the titles of resolutions put forward at Shareholders Meetings should be more understandable and that the wording of the statement of reasons for each proposed resolution should be improved in order to clarify what is to be voted on and what is at stake in shareholders’ decisions. Following this proposal, the AMF called on the trade associations concerned to draft a guide that explains the objectives and procedures for each type of resolution.

For each financial authorization submitted for approval at the Annual Shareholders Meeting, this report refers to the corresponding information sheet in the “Proposed resolutions submitted to the vote of shareholders of listed companies” prepared by MEDEF with input from AFEP and ANSA (January 2016 version)(1), which is available at www.medef.com/.

The resolutions set in blue type below are the resolutions proposed by the Company that will be included in the Notice of Meeting published in the Bulletin des annonces légales obligatoires. Each shareholder will also be sent a copy of the Notice of Meeting within the period prescribed by law.

ORDINARY RESOLUTIONS (1st to 12th resolutions)

1st and 2nd resolutions

/ Approval of the Company financial statements for the year ended December 31, 2018

/ Appropriation of net income for the year ended December 31, 2018 and approval of the recommended dividend

The first and second resolutions concern approval of the Company’s 2018 financial statements and appropriation of net income for the year.

(1) In French only.
In order to qualify for the dividend payment, beneficiaries must be shareholders of record at midnight (CET) on May 22, 2019 (the record date). The ex-dividend date will be May 21, 2019. The dividend will be paid as from May 23, 2019. The amount of the dividend corresponding to the treasury shares held on the payment date will be allocated to retained earnings.

First resolution
(Approval of the Company financial statements for the year ended December 31, 2018)

Having considered the reports of the Managing Chairman, the Statutory Auditors and the Supervisory Board, the Ordinary Shareholders Meeting approves the Company financial statements for the year ended December 31, 2018 which show net income for the period of €813,150,345.81. The Ordinary Shareholders Meeting also approves the transactions reflected in these financial statements and referred to in these reports, including those relating to the various provision accounts.

Second resolution
(Appropriation of net income for the year ended December 31, 2018 and approval of the recommended dividend)

On the recommendation of the Managing Chairman (as approved by the Supervisory Board), the Ordinary Shareholders Meeting notes that the total amount available for distribution is as follows:

- Net income for the year: €813,150,345.81;
- Share of profits attributed to the General Partners in accordance with the Bylaws: €9,957,765.14;
- Balance: €803,192,580.67;
- Plus retained earnings brought forward from prior years: €1,419,798,460.85;
- Total amount available for distribution: €2,222,991,041.52

And resolves:

- to pay an aggregate dividend of: €665,436,238.40; representing €3.70 per share;
- to appropriate the balance of: €1,557,554,803.12, to retained earnings.

The dividend will be paid as from May 23, 2019. The amount of dividend corresponding to the treasury shares held on the payment date will be allocated to retained earnings.

For individual shareholders domiciled in France for tax purposes, the tax treatment of the dividend will be as follows:

- the dividend will be subject to the 30% flat tax (12.8% in respect of income tax and 17.2% for French social security contributions) for individual shareholders domiciled in France for tax purposes introduced in Article 28-I-28° of the 2018 Finance Act, which is not in discharge of other tax liability;
- the 12.8% flat tax will be applied automatically unless the taxpayer makes an irrevocable election to pay income tax at the graduated rate on all dividend income. The election must be made each year, when the taxpayer’s personal income tax return is filed;
- the two-step method of paying tax on dividends is maintained.

In accordance with Article 119 bis of the French General Tax Code (Code général des impôts), dividends paid to shareholders not domiciled in France for tax purposes are subject to withholding tax at the rate applicable to the country in which the shareholder is domiciled.
As required under Article 243 bis of the French General Tax Code, shareholders note that dividends paid for the past three years were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total dividend payout (in €)</th>
<th>Dividend per share* (in €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>518,421,218.70</td>
<td>2.85</td>
</tr>
<tr>
<td>2016</td>
<td>585,214,893.25</td>
<td>3.25</td>
</tr>
<tr>
<td>2017</td>
<td>637,299,503.85</td>
<td>3.55</td>
</tr>
</tbody>
</table>

* The full amount of the dividend was eligible for the 40% tax allowance provided for in Article 158-3-2° of the French General Tax Code.

3rd resolution

/ Approval of the consolidated financial statements for the year ended December 31, 2018

The purpose of the third resolution is to approve the consolidated financial statements for the year ended December 31, 2018, which show net income for the period of €1,659,628 thousand.

The Registration Document, which can be downloaded from Michelin’s website (www.michelin.com), contains an analysis of the consolidated financial statements and year-on-year changes. This document can also be sent to shareholders on request.

4th resolution

/ Related-party agreements

As no related-party agreements were entered into during 2018, shareholders are invited to place on record that there are no such agreements to approve.

In addition, no related-party agreements entered into in previous years remained in force during 2018.

Third resolution

(Approval of the consolidated financial statements for the year ended December 31, 2018)

Having considered the reports of the Managing Chairman, the Statutory Auditors and the Supervisory Board, the Ordinary Shareholders Meeting approves the consolidated financial statements for the year ended December 31, 2018, which show net income for the period of €1,659,628 thousand.

Fourth resolution

(Related-party agreements)

Having considered the Statutory Auditors’ special report on related-party agreements governed by Article L. 226-10 of the French Commercial Code (Code de commerce), the Ordinary Shareholders Meeting approves said report and places on record that no such agreements requiring shareholder approval were entered into or were in force in 2018.
5th resolution

/ Authorization for the Managers to put in place a share buyback program, except during a public offer period, based on a maximum purchase price per share of €180

In the fifth resolution, shareholders are invited to renew the authorization for the Company to buy back its own shares, over a period of 18 months on the same terms as the previous authorization. The maximum purchase price per share under this authorization would be €180 and the maximum number of shares purchased would represent maximum 10% of the total shares outstanding at the time of the transaction(s).

This new authorization would supersede the previous authorization granted for the same purpose at the Annual Shareholders Meeting of May 18, 2018.

During 2018, the Company used the previous authorization to buy back and cancel 648,231 shares, resulting in a corresponding capital reduction. For details of the buybacks, see section 5.5.6 of this Registration Document.

The proposed authorization would not be able to be used during a public offer period.

This type of proposed resolution is explained in detail in Information Sheet 4 “Share Buybacks” of the MEDEF Guide, “Proposed resolutions submitted to the vote of shareholders of listed companies” available (in French only) at www.medef.com/.

Fifth resolution

(Authorization for the Managers or any one of them to put in place a share buyback program, except during a public offer period, based on a maximum purchase price per share of €180)

Having considered the reports of the Managing Chairman and the Supervisory Board, as well as the description of the share buyback program drawn up in accordance with the requirements of the General Regulations of the AMF, the Ordinary Shareholders Meeting authorizes the Managers or any one of them, in accordance with Articles L. 225-209 et seq. of the French Commercial Code, to put in place a program for the Company to buy back its own shares at a maximum purchase price per share of €180 (one hundred eighty euros).

In the event of any corporate actions, such as a bonus share issue paid up by capitalizing reserves or a stock split or reverse stock split, the above maximum purchase price will be adjusted accordingly.

The number of shares that may be bought back under this authorization may not represent more than 10% (ten percent) of the total shares outstanding at the time of each transaction. The total number of shares that may be purchased for the purpose of maintaining a liquid market, as set out below, will be calculated after deducting the number of shares sold over the duration of the share buyback program. In addition, the Company may not hold more than 10% (ten percent) of its own share capital at any time.
Based on the share capital at December 31, 2018, the maximum amount invested in the program would not exceed €3,237,257,340 (three billion, two hundred and thirty-seven million, two hundred and fifty-seven thousand, three hundred and forty euros), corresponding to 10% (ten percent) of the Company’s share capital, or 17,984,763 (seventeen million, nine hundred and eighty-four thousand, seven hundred and sixty-three) shares purchased at the maximum price of €180 (one hundred and eighty euros) per share.

The objectives of the share buyback program are as follows:

- to purchase shares for sale or allocation to employees of Group companies in accordance with the conditions set down by law, including (i) exercise of stock options, (ii) under performance share plans and (iii) in connection with employee rights issues;
- to maintain a liquid market for the Company’s shares through a liquidity contract complying with the Code of Ethics approved by the AMF;
- to purchase shares for allocation on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- to purchase shares to be held and subsequently sold, exchanged or otherwise transferred in connection with external growth transactions. The maximum number of shares purchased for the purpose of being held and subsequently sold or exchanged in connection with a merger, de-merger or asset contribution shall not exceed 5% (five percent) of the Company's share capital;
- to implement any other market practices that may be authorized in the future;
- to acquire shares for cancellation under a shareholder-approved capital reduction.

The purchase, sale or transfer of shares may be effected at any time, except during a public offer period, and by any method, on the basis and within the limits prescribed by the laws and regulations in force on the transaction date(s), via regulated markets, multilateral trading facilities, systematic internalizers or over-the-counter, including through (i) block purchases or sales, (ii) public offers of purchase or exchange, (iii) the use of options or other forward financial instruments traded via regulated markets, multilateral trading facilities, systematic internalizers or over-the-counter, or (iv) the allocation of shares on conversion, redemption, exchange or exercise of securities carrying rights to the Company’s shares or by any other means, either directly or via an investment services provider. The entire buyback program may be implemented through a block trade.

The Managers, or any one of them, shall have full powers – which may be delegated – to (i) place buy and sell orders, (ii) enter into any and all agreements, (iii) make any and all filings, (iv) carry out all other formalities, (v) allocate or reallocate the purchased shares to any of the various purposes of the program and (vi) generally, do everything necessary to carry out the share buyback program. This authorization shall be valid for a period of 18 months from the date of this Meeting and supersedes, from that date, the authorization granted for the same purpose in the fifth resolution of the Annual Shareholders Meeting held on May 18, 2018.
6th resolution

/ Advisory vote on the components of the compensation due or awarded for 2018 to Jean-Dominique Senard, Managing Chairman

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

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

In line with this recommendation in the AFEP/MEDEF Code and the implementation guidelines, shareholders are asked to express an advisory “say-on-pay” vote on the components of compensation due or awarded for the previous year to the Managing Chairman and the Chairman of the Supervisory Board. Said components may include:

- the fixed portion;
- the annual variable portion, including a description of the objectives that must be met in order for this variable portion to be awarded;
- exceptional compensation;
- stock options, performance shares and long-term variable compensation, including a description of the objectives that must be met in order for these components of compensation to be awarded;
- benefits related to taking up or terminating office;
- supplementary pension benefits;
- any other benefits.

Consequently, based on the recommendation and favorable opinion of the Supervisory Board and with the approval of the other General Partners on the allocation of the Profit Share, in the 6th resolution the Managing Chairman is asking shareholders to issue a positive advisory vote on the components of the compensation due or awarded for 2018 to Jean-Dominique Senard, Managing Chairman.

---

(1) In line with the 2018 compensation policy described in the Corporate Governance Report (incorporated in section 4.4.1 a) of the 2017 Registration Document, pages 122 to 126).

(2) Recommendation applied by the Company since it came into effect and, in 2019, in compliance with the most recent version of the AFEP/MEDEF Code dated June 2018.
The compensation components concerned and the related reviews performed by the Compensation and Appointments Committee are presented in the table below (all of the amounts indicated are based on the standard tables provided in the AFEP/MEDEF Code which are set out in sections 4.4.2 and 4.4.3 of this Registration Document).

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed compensation</td>
<td>1,100,000</td>
<td>Unchanged from the previous year. This corresponds to the gross annual fixed compensation due by Manufacture Française des Pneumatiques Michelin (MFPM), a controlled entity, as consideration for the duties performed by Mr. Senard in his capacity as General Manager of that company. Its amount was set by MFPM’s General Partner in 2014 and has not been changed since then. For more information see section 4.4.3 a), Fixed compensation of this Registration Document, page 146, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.</td>
</tr>
</tbody>
</table>
| Annual variable compensation        | 1,762,524                                       | The structure of these components and their payment mechanisms are unchanged from 2017. **Shared features**  
The basis used to calculate the Annual Variable Components (the Consolidated Calculation Base) corresponds to 0.6% of the Group’s consolidated net income.  
The Annual Variable Components of Mr. Senard’s compensation are paid out of the share of profit (Profit Shares) allocated to the General Partners of CGEM – Jean-Dominique Senard, Florent Menegaux and SAGES – that is now split between them on a mutually agreed basis.  
The consolidated net income to be presented at the Annual Shareholders Meeting on May 17, 2019, amounts to €1,659,628 thousand. The Compensation and Appointments Committee has therefore noted that the Consolidated Calculation Base for 2018 is €9,957,765.14.  
Given the mutually agreed division of the Profit Share between the General Partners, and the performance achieved in 2018 with respect to the conditions governing the Annual Variable Components, as described below, the total amount payable to Mr. Senard represents €1,762,524 (after rounding, before withholding tax), breaks down as follows:  
**Single-Criterion Annual Variable Component**  
This component is equal to 8% of the Consolidated Calculation Base. The Compensation and Appointments Committee noted that the Single-Criterion Annual Variable Component amounts to €796,621.21 for 2018.  
**Multi-Criteria Annual Variable Component**  
This component corresponds to between 0% and 14% of the Consolidated Calculation Base, depending on achievement rates for seven criteria. The Compensation and Appointments Committee carefully reviewed each of the quantitative and qualitative criteria applicable to this component(1). |

---

(1) For reasons of confidentiality and business secrecy, and in more particularly to avoid disclosing information about the Company’s strategy that could be used by competitors for their advantage to these quantitative or quantifiable criteria, the Supervisory Board has elected not to disclose details of these performance targets.
### Ordinary Resolutions (1st to 12th resolutions)

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
</table>
| Annual variable compensation (continued) | 1,762,524 | Based on this review, the Committee concluded that the overall achievement rate for the three quantitative criteria (which are the same as those applied to determine the 2018 variable compensation of the Executive Committee members and Group managers) was 62.90/100ths, with:

- annual growth in sales volumes (tons): 12.90/50ths;
- efficiency project (annual reduction in operating costs): 25/25ths;

Concerning the four qualitative criteria, the Committee’s conclusions were as follows:

- for the “Continued active deployment of the Group’s digital strategy” criterion, the Committee noted that substantially all of the objectives based on quantifiable indicators had been met (12.08/12.50ths):
  - best operating practices have been deployed in production/digital manufacturing,
  - a technology and innovation center has been set up in Pune, India, that will be instrumental in helping the Group move up a gear in its digital transformation,
  - deployment of internal digital training for Group employees has been accelerated and global customer and employee relations have been transformed through the successful installation of dedicated platforms,
  - deployment of connected initiatives has also been accelerated, allowing the Group to become a leading provider of connected mobility services (connected vehicles, platform integration);
- for the “Corporate social responsibility and environmental responsibility” criterion (environment, human rights, CSR governance), the Committee noted that the objectives based on quantifiable indicators had been met (12.50/12.50ths):
  - Environment objective: the Group has set a Science-Based Target,
  - Human Rights objective: the Total Case Incident Rate (TCIR) has improved,
  - Group CSR Governance objective: dedicated governance structures have been deployed within the Group covering the environment, human rights and sustainable mobility;
### Ordinary Resolutions (1st to 12th resolutions)

#### Compensation due or awarded for 2018

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual variable compensation (continued)</td>
<td>1,762,524</td>
<td>▶ for the “Managers transition plan” criterion, the Committee noted that the objective concerning the transfer of powers to the new Managers had been met (12.50/12.50ths), as well as the objective of supporting Florent Menegaux as he prepares to take up the position of Managing Chairman; ▶ for the “Stabilization of the Group’s organization” criterion, the Committee noted that Jean-Dominique Senard had met substantially all of the objectives defined (7.50/12.50ths) to ensure that the new organization in place since January 1, 2018 is both robust and stable. The objective concerning the organization’s cohesiveness was considered to have been partly met. The Compensation and Appointments Committee therefore considered that the overall achievement rate for the qualitative criteria was 44.58/50ths. In conclusion of its analysis concerning the Multi-Criteria Annual Variable Component, the Committee recommended to the Supervisory Board that cumulative actual performance in relation to these quantitative and qualitative criteria should be rated as 107/150ths. Based on the Consolidated Calculation Base of €9,957,765.14, application of this cumulative achievement rate to the assessment grid defined by the Supervisory Board resulted in a Multi-Criteria Annual Variable Component of €965,903.22 for 2018. For more information see section 4.4.3 b), Variable compensation of this Registration Document, pages 146 and 147, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.</td>
</tr>
</tbody>
</table>
### Compensation due or awarded for 2018

<table>
<thead>
<tr>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash-settled deferred variable compensation awarded in 2018</td>
<td>No cash-settled deferred variable compensation was due for 2018</td>
</tr>
</tbody>
</table>

The structure of these components and their payment mechanisms are unchanged from 2017, but the base amount is significantly lower.

The base amount used to calculate Jean-Dominique Senard’s deferred compensation for 2018 is €1,080,000. This is significantly lower than that for 2017 due to the election during the year of a second Managing General Partner.

This amount will be modulated by the application of the following three criteria set by the Supervisory Board and applicable over the three-year period:

- Michelin share performance;
- environmental and corporate social responsibility performance: employee engagement and environmental performance of manufacturing operations (as measured by the MEF);
- growth in operating income(1).

These criteria are the same as the ones applicable to the 2018 performance share plan for Group employees, which is not open to Mr. Senard. They concern implementation of the Group’s long-term strategy as expressed in the Ambitions for 2020.

For 2018, the decision was made to set considerably tougher MEF targets.

The achievement rate under this long-term incentive plan will be equal to 100% only if the targets for all three criteria are met in full.

The long-term incentive bonus is not due by the Company but would be deducted from the General Partners’ allocated Profit Shares.

The final amount receivable under the long-term incentive plan will be:

- capped at 150% of the average of the Annual Variable Components paid to Mr. Senard for 2018, 2019 and 2020;
- paid out of the Profit Shares allocated to the General Partners in respect of 2020 and payable in 2021 after the 2020 financial statements have been approved:
  - subject to the availability of Profit Shares payable in 2021 out of 2020 profit,
  - up to the amount of said available Profit Shares after deducting the Single-Criterion and Multi-Criteria Annual Variable Components due for 2020.

---

(1) Consolidated operating income based on a comparable consolidation scope and at constant exchange rates and accounting methods, excluding non-recurring items, as adjusted if necessary for the effects of any exceptional events.
### Compensation due or awarded for 2018

<table>
<thead>
<tr>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash-settled deferred variable compensation awarded in 2018</td>
<td>If Mr. Senard were to cease to be a General Partner (for reasons other than death or disability) before his term expires and before the end of the performance assessment period, notably due to his resignation or removal from office, he would forfeit his rights to the long-term incentive bonus.</td>
</tr>
<tr>
<td>No cash-settled deferred variable compensation was due for 2018</td>
<td>If the Managing Chairman ceases to hold office on the date his term expires (in May 2019), for reasons other than death or disability, and his term expires before the end of the reference three-year period for determining the achievement rate for the performance criteria, the three-year period will continue to run until the end of 2020.</td>
</tr>
<tr>
<td></td>
<td>The incentive bonus will be paid at the end of said three-year period, for an amount prorated to the actual period served as Managing Chairman during the period.</td>
</tr>
<tr>
<td></td>
<td>As for the incentive bonus awarded in 2017, Mr. Senard will be required to invest in Michelin shares 20% of the actual amounts received at the end of the three-year period for the 2018 incentive bonus. He will be required to hold these shares for at least three years as from the date on which he steps down from the position of Managing Chairman, after which the shares may be sold on a phased basis.</td>
</tr>
<tr>
<td></td>
<td>The Supervisory Board noted that, as this is a long-term incentive plan, no amount was due in respect of 2018.</td>
</tr>
<tr>
<td></td>
<td>For more information, see section 4.4.3 c), Variable compensation in this Registration Document, page 151, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.</td>
</tr>
</tbody>
</table>
Ordinary Resolutions (1st to 12th resolutions)

Cash-settled deferred variable compensation awarded in 2016 and due in 2019 in respect of 2018 | 1,362,465 |
The long-term incentive bonus was presented at the Annual Shareholders Meeting of May 19, 2017 and was approved by a majority of 96.32% of the votes cast (6th resolution).

2018 was the last calculation year for this bonus and the Compensation and Appointments Committee therefore noted the achievement rates for each of the performance criteria, as follows:

- growth in the Michelin share price compared with that of the CAC 40 index: the growth differential was 1.5 points, giving an achievement rate of 3.5% out of a possible 35%;
- improvement in the Michelin site Environmental Footprint (MEF): the average MEF was 52.93 giving an achievement rate of 15% out of 15% for this criterion;
- employee engagement ("Moving Forward Together" survey): the average engagement rate was 80%, giving an achievement rate of 15% out of 15% for this criterion;
- growth in operating income: the result was €223.33 million, giving an achievement rate of 35% out of 35% for this criterion.

Based on 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 payable in 2019 amounted to €1,362,465 (before withholding tax).

Mr. Senard is committed to investing 20% of the incentive bonus in Michelin shares, 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.

For more information, see Table 1.1 in section 4.4.3 c) of this Registration Document, pages 149 and 150, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 124 and 125.

<table>
<thead>
<tr>
<th>Stock options, performance shares and other long-term compensation</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>No stock options granted</td>
<td></td>
</tr>
<tr>
<td>No performance shares granted</td>
<td></td>
</tr>
<tr>
<td>No other share-based payments</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exceptional compensation</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>No exceptional compensation</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Attendance fees</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Senard does not receive any attendance fees</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Value of fringe benefits</th>
<th>8,470</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company car</td>
<td></td>
</tr>
</tbody>
</table>
Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments

<table>
<thead>
<tr>
<th>Components of compensation due or awarded for 2018</th>
<th>Amounts submitted to shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation for loss of office</td>
<td>No compensation for loss of office was due for 2018</td>
<td>The detailed information in this section is unchanged from 2017.</td>
</tr>
</tbody>
</table>

In accordance with Article 13-2 of the Bylaws, as approved by an extraordinary resolution of the May 13, 2011 Annual Shareholders Meeting, if Mr. Senard were to be removed from office before the end of his term as a result of a change of strategy or a change of control of the Company, provided such removal was not due to gross misconduct, he would be entitled to compensation for loss of office to be decided by the Non-Managing General Partner and subject to the prior approval of the Supervisory Board. The amount of any such compensation would not exceed the equivalent of Mr. Senard’s total compensation for the two years preceding the year of his removal from office.

It would be subject to the performance conditions decided by the Supervisory Board in 2014.

The final compensation would be reduced, if applicable, so that any other severance payments due to Mr. Senard would not result in his receiving an aggregate severance package in excess of two years’ compensation, as recommended in the AFEP/MEDEF Code.

For more information see section 4.4.1 a) 6. on compensation in the 2017 Registration Document, page 126 and section 4.4.2 m), page 145 of this Registration Document.

(1) Unlike for joint stock corporations (sociétés anonymes, or S.A.s) the provisions concerning “related-party commitments” set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managers (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments).

The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the French Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the “principles and rules concerning the compensation and benefits granted to executive officers”, whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the French Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company’s executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code’s recommendations.
Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments

<table>
<thead>
<tr>
<th>Non-compete indemnity</th>
<th>No indemnity was due under the non-compete clause in 2018</th>
<th>No indemnity was due under the non-compete clause in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amounts submitted to shareholder approval (in €)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Presentation</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The detailed information in this section is unchanged from 2017.

In the same way as Michelin employees who have specific expertise that needs to be protected to prevent its use by a competitor in a manner that is detrimental to the Company’s interests, Mr. Senard is subject to a non-compete clause.

The Company is, however, entitled to waive the application of this clause.

If the Company were to decide to apply this non-compete clause over a period of up to two years, it would have to pay to Mr. Senard the equivalent of up to 16 months’ compensation based on the most recent aggregate compensation paid to him by Group companies.

The non-compete indemnity would be reduced or canceled, if necessary, so that Mr. Senard’s total severance package did not exceed the equivalent of the aggregate of his last two years’ compensation, as recommended in the AFEP/MEDEF Code.

For more information see section 4.4.1 a) 7. on compensation in the 2017 Registration Document, page 126 and section 4.4.2 m), page 145 of this Registration Document.

(1) Unlike for joint stock corporations (sociétés anonymes, or S.A.s) the provisions concerning “related-party commitments” set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managers (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments).

The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the French Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the “principles and rules concerning the compensation and benefits granted to executive officers”, whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the French Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company’s executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code’s recommendations.
Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments(1)

<table>
<thead>
<tr>
<th>Presentation</th>
<th>Amounts submitted to shareholder approval (in €)</th>
<th>Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The pension plan structure and rules are unchanged from 2017. This description complies with the provisions of the Macron Act of August 6, 2015 and the enabling legislation dated February 23, 2016. Mr. Senard is not a member of any pension plan set up specifically for executive officers. In his capacity as General Manager of MFPM, Mr. Senard participates in the supplementary pension plan set up for MFPM senior executives (the Michelin Executive Supplementary Pension Plan). This plan, which is governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code and is not restricted to General Managers (executive officers), has the following main features:  ▶ participants must have served for at least five years as a senior executive;  ▶ 1.5% of benefits vest each year, entitling participants to an annuity representing a replacement rate of up to 15% of the reference compensation (annual average of the best three years of compensation out of the last five years preceding the beneficiary’s retirement);  ▶ the replacement rate including benefit entitlements under compulsory plans is capped at 35%;  ▶ an evaluation is carried out in accordance with Group accounting policies;  ▶ benefit entitlement is conditional on participants ending their career at MFPM as an executive employee or executive officer, in accordance with Article L. 137-11 of the French Social Security Code;  ▶ 70% of the prior year’s benefit obligation funded through a contribution to an insured plan.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No supplementary pension benefits were due for 2018</td>
<td>Supplementary pension benefits</td>
<td></td>
</tr>
</tbody>
</table>

(1) Unlike for joint stock corporations (sociétés anonymes, or S.A.s) the provisions concerning “related-party commitments” set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managers (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments). The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the French Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the “principles and rules concerning the compensation and benefits granted to executive officers”, whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the French Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company’s executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code’s recommendations.
Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments\(^{(1)}\)

<table>
<thead>
<tr>
<th>Computed Components</th>
<th>Amounts submitted to shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplementary pension benefits (continued)</td>
<td>No supplementary pension benefits were due for 2018</td>
<td>Mr. Senard’s reference compensation is made up solely of the fixed compensation paid by MFPM (see section 4.4.3 a) of this Registration Document). Based on the assumptions set out in the Macron Act enabling legislation dated February 23, 2016, the estimated amount of annual income he will receive under this plan is €165,000. The pension benefits will be taxed at the rate of 32%. As the reference compensation represented less than half of the aggregate amount received by Mr. Senard for 2018 (fixed compensation and variable Profit Shares), 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.</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Unlike for joint stock corporations (sociétés anonymes, or S.A.s) the provisions concerning “related-party commitments” set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managers (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments). The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the French Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the “principles and rules concerning the compensation and benefits granted to executive officers”, whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the French Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company’s executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code’s recommendations.
REPORT OF THE MANAGING CHAIRMAN AND PROPOSED RESOLUTIONS
Ordinary Resolutions (1st to 12th resolutions)

Sixth resolution
(Advisory vote on the components of the compensation due or awarded for 2018 to Jean-Dominique Senard, Managing Chairman)

Having noted the agreement of the General Partners on the allocation of Profit Shares and considered the report of the Supervisory Board, the Ordinary Shareholders Meeting issues a positive advisory vote on the components of the compensation due or awarded for 2018 to Jean-Dominique Senard, Managing Chairman, as presented in sections 4.4.2, 4.4.3 and 4.4.4 of this Registration Document.

7th resolution

/ Advisory vote on the components of the compensation due or awarded for 2018 to Florent Menegaux, Managing General Partner

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

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

In line with this recommendation in the AFEP/MEDEF Code and the implementation guidelines, shareholders are asked to express an advisory “say-on-pay” vote on the components of compensation due or awarded for the previous year to each Manager. Said components may include:

- the fixed portion;
- the annual variable portion, including a description of the objectives that must be met in order for this variable portion to be awarded;
- exceptional compensation;
- stock options, performance shares and long-term variable compensation, including a description of the objectives that must be met in order for these components of compensation to be awarded;
- benefits related to taking up or terminating office;
- supplementary pension benefits;
- any other benefits.

---

(1) In line with the 2018 compensation policy described in the Corporate Governance Report (incorporated in section 4.4.1 a) of the 2017 Registration Document, pages 122 to 126).

(2) Recommendation applied by the Company since it came into effect and, in 2019, in compliance with the most recent version of the AFEP/MEDEF Code dated June 2018.
Consequently, based on the recommendation and favorable opinion of the Supervisory Board and with the approval of the other General Partners on the allocation of the Profit Share, in the 7th resolution the Managing Chairman is asking shareholders to issue a positive advisory vote on the components of the compensation due or awarded for 2018 to Florent Menegaux, Managing General Partner. The compensation components concerned and the related reviews performed by the Compensation and Appointments Committee are presented in the table below (all of the amounts indicated are based on the standard tables provided in the AFEP/MEDEF Code which are set out in sections 4.4.2 and 4.4.5 of this Registration Document).

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed compensation</td>
<td>554,672</td>
<td>This corresponds to the gross annual fixed compensation due by Manufacture Française des Pneumatiques Michelin (MFPM), a controlled entity, as consideration for the duties performed by Mr. Menegaux in his capacity as General Manager of that company. The 2018 compensation policy provides for the payment to Florent Menegaux of fixed compensation (i) in an amount that is significantly lower than that of the Managing Chairman, (ii) prorated based on the period served as Managing General Partner in fiscal 2018. For more information see section 4.4.5 a), Fixed compensation of this Registration Document, page 158, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.</td>
</tr>
</tbody>
</table>
### Ordinary Resolutions (1st to 12th resolutions)

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual variable compensation</td>
<td>668,479</td>
<td><strong>Shared features</strong></td>
</tr>
</tbody>
</table>

The basis used to calculate the Annual Variable Components (the Consolidated Calculation Base) corresponds to 0.6% of the Group’s consolidated net income.

The Annual Variable Components are paid out of the share of profit (Profit Shares) allocated to the General Partners of CGEM – Jean-Dominique Senard, Florent Menegaux and SAGES – that is now split between them on a mutually agreed basis.

The consolidated net income to be presented at the Annual Shareholders Meeting on May 17, 2019, amounts to €1,659,628 thousand. The Compensation and Appointments Committee has therefore noted that the Consolidated Calculation Base for 2018 is €9,957,765.14.

Given the mutually agreed division of the Profit Share between the General Partners, and the performance achieved in 2018 with respect to the conditions governing the Annual Variable Components, as described below, the total amount payable to Mr. Menegaux represents €668,479 (after rounding, before withholding tax), as follows:

**Single-Criterion Annual Variable Component**

This component is equal to 5% of the Consolidated Calculation Base. The Compensation and Appointments Committee noted that the Single-Criterion Annual Variable Component amounts to €312,374 for 2018.
Ordinary Resolutions (1st to 12th resolutions)

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual variable compensation (continued)</td>
<td>668,479</td>
<td><strong>Multi-Criteria Annual Variable Component</strong></td>
</tr>
</tbody>
</table>

This component corresponds to between 0% and 8.50% of the Consolidated Calculation Base, depending on achievement rates for seven criteria.

The Compensation and Appointments Committee carefully reviewed each of the quantitative and qualitative criteria applicable to this component\(^1\).

Based on this review, the Committee concluded that the overall achievement rate for the three quantitative criteria (which are the same as those applied to determine the 2018 variable compensation of the Executive Committee members and Group managers) was 62.90/100\(^{th}\), with:

- annual growth in sales volumes (tons): 12.90/50\(^{th}\);
- efficiency project (annual reduction in operating costs): 25/25\(^{th}\);
- annual growth in free cash flow: 25/25\(^{th}\).

Concerning the four qualitative criteria, the Committee’s conclusions were as follows:

- for the “Continued active deployment of the Group’s digital strategy” criterion, the Committee noted that substantially all of the objectives based on quantifiable indicators had been met (12.08/12.50\(^{th}\)):
  - best operating practices have been deployed in production/digital manufacturing,
  - a technology and innovation center has been set up in Pune, India, that will be instrumental in helping the Group move up a gear in its digital transformation,
  - deployment of internal digital training for Group employees has been accelerated and global customer and employee relations have been transformed through the successful installation of dedicated platforms,
  - deployment of connected initiatives has also been accelerated, allowing the Group to become a leading provider of connected mobility services (connected vehicles, platform integration);
- for the “Corporate social responsibility and environmental responsibility” criterion (environment, human rights, CSR governance), the Committee noted that the objectives based on quantifiable indicators had been met (12.50/12.50\(^{th}\)):
  - Environment objective: the Group has set a Science-Based Target,
  - Human Rights objective: the Total Case Incident Rate (TCIR) has improved,
  - Group CSR Governance objective: dedicated governance structures have been deployed within the Group covering the environment, human rights and sustainable mobility;

\(^{1}\) For reasons of confidentiality and business secrecy, and in more particularly to avoid disclosing information about the Company’s strategy that could be used by competitors for their advantage to these quantitative or quantifiable criteria, the Supervisory Board has elected not to disclose details of these performance targets.
Ordinary Resolutions (1st to 12th resolutions)

Compensation due or awarded for 2018

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
</table>
| Annual variable compensation (continued) | 668,479 | ▶ for the “Manager transition plan” criterion, the Committee noted that Florent Menegaux had met his objectives (12.50/12.50ths) concerning his integration, as future Managing Chairman, in the economic, social and media environment, gradual assertion of his leadership and presentation of the Group’s strategic goals to the governance structures;
▶ for the “Stabilization of the Group’s organization” criterion, the Committee noted that Florent Menegaux had met substantially all of the objectives defined (7.50/12.50ths) to ensure that the new organization in place since January 1, 2018 is both robust and stable. The objective concerning the organization’s cohesiveness was considered to have been partly met.

The Compensation and Appointments Committee therefore considered that the overall achievement rate for the qualitative criteria was 44.58/50ths.

In conclusion of its analysis concerning the Multi-Criteria Annual Variable Component, the Committee recommended to the Supervisory Board that cumulative actual performance in relation to these quantitative and qualitative criteria should be rated as 107/150ths. Based on the Consolidated Calculation Base of €9,957,765.14, application of this cumulative achievement rate to the assessment grid defined by the Supervisory Board resulted in a Multi-Criteria Annual Variable Component of €356,106 for 2018.

For more information see section 4.4.5 b), Variable compensation in this Registration Document, pages 158 and 159, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.
<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
</table>
| Cash-settled deferred variable compensation awarded in 2018 | No cash-settled deferred variable compensation was due for 2018 | This long-term incentive bonus is calculated using a reduced base amount of €720,000 due to the presence of two Managing General Partners during the management transition period. This amount will be modulated by the application of the following three criteria set by the Supervisory Board and applicable over the three-year period:  
  ▶ Michelin share performance;  
  ▶ environmental and corporate social responsibility performance: employee engagement and environmental performance of manufacturing operations (as measured by the MEF);  
  ▶ growth in operating income\(^1\). These criteria are the same as those applicable to the 2018 performance share plan for Group employees, which is not open to Mr. Menegaux. They concern implementation of the Group’s long-term strategy as expressed in the Ambitions for 2020. For 2018, the decision was made to set considerably tougher MEF targets. The achievement rate under this long-term incentive plan will be equal to 100% only if the targets for all three criteria are met in full. The long-term incentive bonus is not due by the Company but would be deducted from the General Partners’ allocated Profit Shares. The final amount receivable under the long-term incentive plan will be:  
  ▶ capped at 150% of the average of the Annual Variable Components paid to Mr. Menegaux for 2018, 2019 and 2020;  
  ▶ paid out of the Profit Shares allocated to the General Partners in respect of 2020 and payable in 2021 after the 2020 financial statements have been approved:  
    – subject to the availability of Profit Shares payable in 2021 out of 2020 profit,  
    – up to the amount of said available Profit Shares after deducting the Single-Criterion and Multi-Criteria Annual Variable Components due for 2020.  
\(^1\) Consolidated operating income based on a comparable consolidation scope and at constant exchange rates and accounting methods, excluding non-recurring items, as adjusted if necessary for the effects of any exceptional events. |
### Compensation due or awarded for 2018

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash-settled deferred variable compensation awarded in 2018 (continued)</td>
<td>No cash-settled deferred variable compensation was due for 2018</td>
<td>If Mr. Menegaux were to cease to be a General Partner (for reasons other than death or disability) before his term expires and before the end of the performance assessment period, notably due to his resignation or removal from office, he would forfeit his rights to the long-term incentive bonus. The incentive bonus will be paid at the end of said three-year period, for an amount prorated to the actual period served as Managing Partner. As for the incentive bonus awarded to Jean-Dominique Senard, Florent Menegaux will be required to invest in Michelin shares 20% of the actual amounts received at the end of the three-year period for the 2018 incentive bonus. He will be required to hold these shares for at least four years as from the date on which he steps down from the position of Managing General Partner, after which the shares may be sold on a phased basis. The Supervisory Board noted that, as this is a long-term incentive plan, no amount was due in respect of 2018. For more information, see section 4.4.5 b), Variable compensation in this Registration Document, pages 159 to 161 and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.</td>
</tr>
<tr>
<td>Stock options, performance shares and other long-term compensation</td>
<td>N/A</td>
<td>No stock options granted No performance shares granted No other share-based payments</td>
</tr>
<tr>
<td>Exceptional compensation</td>
<td>N/A</td>
<td>No exceptional compensation</td>
</tr>
<tr>
<td>Attendance fees</td>
<td>N/A</td>
<td>Mr. Menegaux does not receive any attendance fees</td>
</tr>
<tr>
<td>Value of fringe benefits</td>
<td>5,392</td>
<td>Company car</td>
</tr>
</tbody>
</table>
Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments\(^{(1)}\)

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

---

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

\(^{(2)}\) See section 4.4.5 a) of this Registration Document.
Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments

<table>
<thead>
<tr>
<th>Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments(1)</th>
<th>Amounts submitted to shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-compete indemnity</td>
<td>No indemnity was due under a non-compete clause in 2018</td>
<td>In the same way as Michelin employees who have specific expertise that needs to be protected to prevent its use by a competitor in a manner that is detrimental to the Company’s interests, Mr. Menegaux is subject to a non-compete clause in his capacity as Manager of the subsidiary MFPM. The Supervisory Board is, however, entitled to waive the application of this clause. If the Company were to decide to apply this non-compete clause over a period of up to two years, it would have to pay to Mr. Menegaux the equivalent of up to 24 months’ compensation based on the most recent fixed compensation paid to him by the subsidiary MFPM. The non-compete indemnity would be reduced or canceled, if necessary, so that Mr. Menegaux’s total severance package did not exceed the equivalent of the aggregate of his last two years’ compensation, as recommended in the AFEP/MEDEF Code. For more information see section 4.4.1 a) 7 on compensation in the 2017 Registration Document (page 126) and section 4.4.2 m) (page 145) of this Registration Document.</td>
</tr>
<tr>
<td>Supplementary pension benefits</td>
<td>No supplementary pension benefits were due for 2018</td>
<td>This description complies with the provisions of the Macron Act of August 6, 2015 and the enabling legislation dated February 23, 2016. Mr. Menegaux is not a member of any pension plan set up specifically for executive officers. In his capacity as General Manager of MFPM, Mr. Menegaux participates in the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan).</td>
</tr>
</tbody>
</table>

(1) Unlike for joint stock corporations (sociétés anonymes, or S.A.s) the provisions concerning “related-party commitments” set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managers (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments). The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the French Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the “principles and rules concerning the compensation and benefits granted to executive officers”, whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the French Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company’s executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code’s recommendations. (2) See section 4.4.5 a) of this Registration Document.
Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments (1)

<table>
<thead>
<tr>
<th></th>
<th>Amounts submitted to shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplementary pension benefits (continued)</td>
<td>No supplementary pension benefits were due for 2018</td>
<td>This plan, which is governed by Article L. 137-11 of the French Social Security Code (Code de la sécurité sociale) and Article 39 of the French General Tax Code (Code général des impôts), has the following main features: ▶ participants must have served for at least five years as a senior executive; ▶ 1.5% of benefits vest each year, entitling participants to an annuity representing a replacement rate of up to 15% of the reference compensation (annual average of the best three years of compensation out of the last five years preceding the beneficiary’s retirement); ▶ the replacement rate including benefit entitlements under compulsory plans is capped at 35%; ▶ an evaluation is carried out in accordance with Group accounting policies; ▶ benefit entitlement is conditional on participants ending their career at MFPM as an executive employee or executive officer, in accordance with Article L. 137-11 of the French Social Security Code; ▶ 70% of the prior year’s benefit obligation funded through a contribution to an insured plan.</td>
</tr>
<tr>
<td>Supplementary pension benefits (continued)</td>
<td>No supplementary pension benefits were due for 2018</td>
<td>Mr. Menegaux’s reference compensation for 2018 in his capacity as executive director was made up solely of the annual fixed compensation paid by MFPM (2). Based on the assumptions set out in the Macron Act enabling legislation dated February 23, 2016, the estimated amount of annual income he will receive under this plan is €135,000. The actual gross replacement rate represented by pension benefits paid under the plan will be well below the 45% ceiling recommended in the AFEP/MEDEF Code.</td>
</tr>
</tbody>
</table>

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

(2) See section 4.4.5 a) of this Registration Document.
Seventh resolution
(Advisory vote on the components of the compensation due or awarded for 2018 to Florent Menegaux, Managing General Partner)

Having noted the agreement of the General Partners on the allocation of Profit Shares and considered the report of the Supervisory Board, the Ordinary Shareholders Meeting issues a positive advisory vote on the components of the compensation due or awarded for 2018 to Florent Menegaux, Managing General Partner, as presented in sections 4.4.2, 4.4.5 and 4.4.6 of this Registration Document.

8th resolution

/ Advisory vote on the components of the compensation due or awarded for 2018 to Yves Chapot, General Manager

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

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

In line with this recommendation in the AFEP/MEDEF Code and the implementation guidelines, shareholders are asked to express an advisory “say-on-pay” vote on the components of compensation due or awarded for the previous year to each Manager. Said components may include:

► the fixed portion;
► the annual variable portion, including a description of the objectives that must be met in order for this variable portion to be awarded;
► exceptional compensation;
► stock options, performance shares and long-term variable compensation, including a description of the objectives that must be met in order for these components of compensation to be awarded;
► benefits related to taking up or terminating office;
► supplementary pension benefits;
► any other benefits.

Consequently, based on the recommendation and favorable opinion of the Supervisory Board and with the approval of the General Partners on the allocation of the Profit Share, in the 8th resolution the Managing Chairman is asking shareholders to issue a positive advisory vote on the components of the compensation due or awarded for 2018 to Yves Chapot, General Manager.

(1) In line with the 2018 compensation policy described in the Corporate Governance Report (incorporated in section 4.4.1a) of the 2017 Registration Document, pages 122 to 126).

(2) Recommendation applied by the Company since it came into effect and, in 2019, in compliance with the most recent version of the AFEP/MEDEF Code dated June 2018.
The compensation components concerned and the related reviews performed by the Compensation and Appointments Committee are presented in the table below (all of the amounts indicated are based on the standard tables provided in the AFEP/MEDEF Code which are set out in sections 4.4.2 and 4.4.7 of this Registration Document).

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed compensation</td>
<td>372,808</td>
<td>For the General Manager elected in 2018, the 2018 compensation policy provides for the payment of fixed compensation (i) in an amount that is significantly lower than that of the Managing Chairman, (ii) prorated based on the period served as General Manager in 2018. In line with this policy, Mr. Chapot’s annual fixed compensation was set at €600,000. His prorated fixed compensation for the period from his election as Manager amounted to €372,808. For more information, see section 4.4.7 a), Fixed compensation in this Registration Document, page 166, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.</td>
</tr>
<tr>
<td>Annual variable compensation</td>
<td>263,763</td>
<td>Under the 2018 compensation policy, the General Manager elected in 2018 is entitled to Multi-Criteria Annual Variable Compensation equivalent to that awarded to the Managing Chairman and the Managing General Partner. This compensation (i) would be significantly less than that awarded to the Managing Chairman and the Managing General Partner, (ii) would not be deducted from the Profit Shares allocated to General Partners and (iii) would be prorated to the period served as General Manager during fiscal 2018. In line with this policy and based on the Supervisory Board’s recommendation, the General Partners set the Multi-Criteria Annual Variable Compensation at a maximum of 120% of the fixed compensation received by Mr. Chapot in 2018 in his capacity as Manager. The actual compensation amount will depend on performance in relation to five criteria. Mr. Chapot will be awarded the maximum amount if the cumulative achievement rate for the five criteria is 100/100%.</td>
</tr>
</tbody>
</table>
Ordinary Resolutions (1st to 12th resolutions)

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
</table>
| Annual variable compensation (continued) | 263,763 | The Compensation and Appointments Committee carefully reviewed each of the quantitative and qualitative criteria applicable to this component\(^{(1)}\).

Based on this review, the Committee concluded that the overall achievement rate for the three quantitative criteria was 37.61/70\(ths\), with:

- growth in consolidated operating income from recurring activities: 24.75/30\(ths\);
- level of consolidated inventories of finished and semi-finished products: 12.86/20\(ths\);
- annual level of tire sales volume by the unit comprising the Group's “Automotive” businesses: 0/20\(ths\).

Concerning the two qualitative criteria, the Committee defined that:

- for the “Organizational transition – Strategic goals” criterion, the Committee noted that the objective of presenting the organizational transition and the strategic goals to the Group’s governance bodies had been met (15/15\(ths\));
- for the “Deployment of the Customer Service initiative” criterion, the Committee noted that part of the objective related to the Net Promoter Score (NPS) indicator had been met (5.78/15\(ths\)).

The Compensation and Appointments Committee therefore considered that the overall achievement rate for the qualitative criteria was 20.78/30\(ths\).

In conclusion of its analysis, the Committee recommended to the Supervisory Board that cumulative actual performance in relation to these quantitative and qualitative criteria should be rated as 58.39/100\(ths\). Given the Calculation Base of 120\% of Mr. Chapot’s annual fixed compensation (€600,000, prorated), the Multi-Criteria Annual Variable Component for 2018 amounts to €263,763.

For more information, see section 4.4.7 b), Variable compensation in this Registration Document, pages 166 and 167, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.

\(^{(1)}\) For reasons of confidentiality and business secrecy, and in more particularly to avoid disclosing information about the Company’s strategy that could be used by competitors for their advantage to these quantitative or quantifiable criteria, the Supervisory Board has elected not to disclose details of these performance targets.
### Ordinary Resolutions (1st to 12th resolutions)

#### Compensation due or awarded for 2018

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
</table>
| Cash-settled deferred variable compensation awarded in 2018                                      | - No cash-settled deferred variable compensation was due for 2018       | This long-term incentive bonus is calculated on a base amount of €600,000. This amount will be modulated by the application of the following three criteria set by the Supervisory Board and applicable over the three-year period:  
  - Michelin share performance;  
  - environmental and corporate social responsibility performance: employee engagement and environmental performance of manufacturing operations (as measured by the MEF);  
  - growth in operating income\(^{(2)}\).  
  These criteria are the same as the ones applicable to the 2018 performance share plan for Group employees, which is not open to Mr. Chapot. They concern implementation of the Group’s long-term strategy as expressed in the Ambitions for 2020.  
  For 2018, the decision was made to set considerably tougher MEF targets. The achievement rate under this long-term incentive plan will be equal to 100% only if the targets for all three criteria are met in full. Capped at 120% of the annual average of the Annual Variable Components paid for the years 2018-2020, as prorated to reflect the period served as Manager during the three years. The incentive bonus would be paid at the end of the three-year period, for an amount prorated to the actual period served as Manager during the three years.  
  The Supervisory Board noted that, as this is a long-term incentive plan, no amount was due in respect of 2018. The liability recognized for the long-term incentive bonus in the Company’s accounts at December 31, 2018 breaks down as follows:  
  - €60,000 corresponding to the theoretical bonus;  
  - €34,200 for payroll taxes, based on current rules and rates.  
  For more information, see section 4.4.7 b), Variable compensation of this Registration Document, pages 167 and 168, and section 4.4.1 a) on compensation in the 2017 Registration Document, pages 122 to 126.                                                                 |
| - Amount: €94,200                                                                                  |                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

\(^{(2)}\) Consolidated operating income based on a comparable consolidation scope and at constant exchange rates and accounting methods, excluding non-recurring items, as adjusted if necessary for the effects of any exceptional events.
### Compensation due or awarded for 2018

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock options, performance shares and other long-term compensation</td>
<td>N/A</td>
<td>No stock options granted No performance shares granted No other share-based payments</td>
</tr>
<tr>
<td>Exceptional compensation</td>
<td>N/A</td>
<td>No exceptional compensation</td>
</tr>
<tr>
<td>Attendance fees</td>
<td>N/A</td>
<td>Mr. Chapot does not receive any attendance fees</td>
</tr>
<tr>
<td>Value of fringe benefits</td>
<td>4,352</td>
<td>Company car</td>
</tr>
</tbody>
</table>

### Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments

<table>
<thead>
<tr>
<th>Components of compensation due or awarded for 2018</th>
<th>Amounts submitted to shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation for loss of office</td>
<td>No compensation for loss of office was due for 2018</td>
<td>In accordance with Article 13-2 of the Bylaws, as approved by an extraordinary resolution of the May 13, 2011 Annual Shareholders Meeting, if Mr. Chapot were to be removed from office before the end of his term as a result of a change of strategy or a change of control of the Company, provided such removal was not due to gross misconduct, he would be entitled to compensation for loss of office to be decided by the Non-Managing General Partner and subject to the prior approval of the Supervisory Board. The amount of any such compensation would not exceed the equivalent of Mr. Chapot’s total compensation for the two years preceding the year of his removal from office. It would be subject to the performance conditions decided by the Supervisory Board.</td>
</tr>
</tbody>
</table>

(1) Unlike for joint stock corporations (sociétés anonymes, or S.A.s) the provisions concerning “related-party commitments” set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managers (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments).

The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the French Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the “principles and rules concerning the compensation and benefits granted to executive officers”, whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the French Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company’s executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code’s recommendations.
Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments

<table>
<thead>
<tr>
<th></th>
<th>Amounts submitted to shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation for loss of office (continued)</td>
<td>No compensation for loss of office was due for 2018</td>
<td>The final compensation would be reduced, if applicable, so that any other severance payments would not result in his receiving an aggregate severance package in excess of two years’ compensation, as recommended in the AFEP/MEDEF Code. For more information, see section 4.4.1 a) 6 on compensation in the 2017 Registration Document (page 126) and the section 4.4.2 m) (page 145) of this Registration Document.</td>
</tr>
<tr>
<td>Non-compete indemnity</td>
<td>No indemnity was due under a non-compete clause in 2018</td>
<td>In the same way as Michelin employees who have specific expertise that needs to be protected to prevent its use by a competitor in a manner that is detrimental to the Company’s interests, Mr. Chapot is subject to a non-compete clause under his suspended employment contract with the subsidiary MFPM. The Supervisory Board is, however, entitled to waive the application of this clause. If the Company were to decide to apply this non-compete clause over a period of up to two years, it would have to pay to Mr. Chapot the equivalent of up to 24 months’ compensation based on the most recent fixed compensation paid to him by the subsidiary MFPM. The non-compete indemnity would be reduced or canceled, if necessary, so that Mr. Chapot’s total severance package did not exceed the equivalent of the aggregate of his last two years’ compensation, as recommended in the AFEP/MEDEF Code. For more information, see section 4.4.1 a) 7. on compensation in the 2017 Registration Document (page 126) and the section 4.4.2 m) (page 145) of this Registration Document.</td>
</tr>
</tbody>
</table>

(1) Unlike for joint stock corporations (sociétés anonymes, or S.A.s) the provisions concerning “related-party commitments” set out in Article L. 225-42-1 of the French Commercial Code do not apply to commitments given by a partnership limited by shares (société en commandite par actions, or S.C.A.) to its Managers (Article L. 226-10 of said Code states that Articles L. 225-38 to L. 225-43 thereof apply to partnerships limited by shares with respect to related-party agreements but does not mention related-party commitments).

The fact that the specific system applicable to S.A.s concerning related-party commitments does not apply to S.C.A.s is corroborated by Article L. 226-10-1 of the French Commercial Code, which states that the Chairman of the Supervisory Board is required to prepare a report reviewed by the Statutory Auditors whose content explicitly excludes information related to the “principles and rules concerning the compensation and benefits granted to executive officers”, whereas this information is compulsory for S.A.s pursuant to Articles L. 225-37 and L. 225-68 of the French Commercial Code. This difference in the applicable legal regimes does not have any effect on (i) the rules concerning public disclosures of the amounts and underlying principles relating to the compensation of the Company’s executive officers and (ii) the application, adapted to the context, of the AFEP/MEDEF Code’s recommendations.
## Components of compensation due or awarded for 2018 which have been submitted for shareholder approval in accordance with the procedures applicable to related-party agreements and commitments

<table>
<thead>
<tr>
<th>Amounts submitted to shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplementary pension benefits</td>
<td>This description complies with the provisions of the Macron Act of August 6, 2015 and the enabling legislation dated February 23, 2016.</td>
</tr>
<tr>
<td>No supplementary pension benefits were due for 2018</td>
<td>Mr. Chapot is not a member of any pension plan set up specifically for executive officers. In his capacity as General Manager of CGEM, Yves Chapot participates in the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan). This plan, which is governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code, has the following main features:(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));</td>
</tr>
</tbody>
</table>

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

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

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

(1) See detailed disclosures in sections 4.4.7 a) and 4.4.7 b) of this Registration Document.
Eighth resolution  
(Advisory vote on the components of the compensation due or awarded for 2018 to Yves Chapot, General Manager)  
Having noted the agreement of the General Partners on the allocation of Profit Shares and considered the report of the Supervisory Board, the Ordinary Shareholders Meeting issues a positive advisory vote on the components of the compensation due or awarded for 2018 to Yves Chapot, General Manager, as presented in sections 4.4.2, 4.4.7 and 4.4.8 of this Registration Document.

9th resolution  
/ Advisory vote on the components of the compensation due or awarded for 2018 to Michel Rollier, Chairman of the Supervisory Board  
Articles L. 225-37-2 and L. 225-82-2 of the French Commercial Code, as updated to reflect the provisions of the “Sapin 2” Act (Act 2016-1691 dated December 9, 2016), concerning shareholder approval of (i) the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the compensation and benefits of executive and non-executive non-independent directors (ex ante approval) and (ii) the components of the compensation paid or awarded to said directors pursuant to these principles (ex post approval) are not applicable to partnerships limited by shares by virtue of Article L. 226-1 of said Code.

However, in line with its commitment to apply corporate governance best practices, fulfill shareholders’ expectations and continue to comply with the explicit recommendation in the AFEP/MEDEF Code that partnerships limited by shares should apply “the same compensation rules as those applicable to joint stock corporations, subject only to any differences justified by the specific features of this legal form, particularly those relating to the status of Managing General Partner” (Article 24.1.3), the Supervisory Board have decided for 2019 to give the Annual Shareholders Meeting the opportunity to issue an advisory vote on the components of the compensation due or awarded for 2018 to Michel Rollier, Chairman of the Supervisory Board and sole non-independent non-executive director.

Shareholders Meeting issues a positive advisory vote on the components of the compensation due or awarded for 2018 to Yves Chapot, General Manager, as presented in sections 4.4.2, 4.4.7 and 4.4.8 of this Registration Document.

(1) In line with the compensation policy described in the Corporate Governance Report reproduced in section 4.4.1 b) of the 2017 Registration Document, pages 126 and 127.

(2) Recommendation applied by the Company since it came into effect and, in 2019, in compliance with the most recent version of the AFEP/MEDEF Code dated June 2018.
The compensation components concerned and the related reviews performed by the Compensation and Appointments Committee are presented in the table below (all of the amounts indicated are based on the standard tables provided in the AFEP/MEDEF Code which are set out in sections 4.4.9 and 4.4.10 of this Registration Document).

<table>
<thead>
<tr>
<th>Compensation due or awarded for 2018</th>
<th>Amounts (or accounting value) submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed compensation</td>
<td>N/A</td>
<td>No fixed compensation</td>
</tr>
<tr>
<td>Annual variable compensation</td>
<td>N/A</td>
<td>No annual variable compensation</td>
</tr>
<tr>
<td>Cash-settled deferred variable compensation</td>
<td>N/A</td>
<td>No cash-settled deferred variable compensation</td>
</tr>
</tbody>
</table>
| Stock options, performance shares and other long-term compensation | N/A                                                            | No stock options granted
No performance shares granted
No other share-based payments |
| Exceptional compensation            | N/A                                                                 | No exceptional compensation |
| Attendance fees                     | 90,000                                                              | Total amount allocated in respect of his duties as Chairman of the Supervisory Board and member of the Compensation and Appointments Committee. Mr. Rollier’s attendance rate at meetings of the Supervisory Board and the Committee of which he is a member was 100% in 2018. For more information, see section 4.4.9 of this Registration Document, page 173. |
| Value of fringe benefits            | N/A                                                                 | No fringe benefits |

<table>
<thead>
<tr>
<th>Components of compensation due or awarded for 2018 which have been or are being submitted for shareholder approval under the procedure applicable to related-party agreements and commitments</th>
<th>Amounts submitted for shareholder approval (in €)</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation for loss of office</td>
<td>N/A</td>
<td>No commitment for the payment of compensation for loss of office</td>
</tr>
<tr>
<td>Non-compete indemnity</td>
<td>N/A</td>
<td>No commitment for the payment of a non-compete indemnity</td>
</tr>
<tr>
<td>Supplementary pension benefits</td>
<td>N/A</td>
<td>No commitment for the payment of supplementary pension benefits</td>
</tr>
</tbody>
</table>
Ninth resolution  
(Advisory vote on the components of the compensation due or awarded for 2018 to Michel Rollier, Chairman of the Supervisory Board)  

Having considered the report of the Supervisory Board, the Ordinary Shareholders Meeting issues a positive advisory vote on the components of the compensation due or awarded for 2018 to Michel Rollier, Chairman of the Supervisory Board, as presented in sections 4.4.9 and 4.4.10 of this Registration Document.

10th and 11th resolutions: election and re-election of Supervisory Board members

/ Michelin’s Supervisory Board plays a vital role for the Group

The current members of Michelin’s Supervisory Board are Barbara Dalibard, Anne-Sophie de La Bigne, Aruna Jayanthi and Monique Leroux, Olivier Bazil, Jean-Pierre Duprieu, Cyrille Poughon, Michel Rollier and Thierry Le Hénaff. All of them have very solid business experience acquired through working with leading corporations, as well as a good knowledge of the Michelin Group. They actively participate in the work of both the Board and its Committees, as illustrated by the 98.3% overall attendance rate for meetings held in 2018.

The Supervisory Board members perform their duties independently and have total freedom of judgment.

A summary of the work carried out by the Supervisory Board in 2018 is included in section 4.3.2 of the Corporate Governance Report reproduced in this Registration Document.

/ Michelin’s General Partners do not take part in the election or re-election of Supervisory Board members

Michelin is a société en commandite par actions (partnership limited by shares) and as such its Supervisory Board is entirely made up of non-executive members (nearly 78% of whom are independent) who represent the shareholders.

With a view to clearly segregating management and supervisory powers, neither the Managing General Partners (who represent the Company’s management body) nor the Non-Managing General Partner, SAGES (which is responsible for ensuring the Company’s continuity of leadership), may play a role in the nomination process.

The General Partners may not be involved in decisions to recommend candidates for election to the Supervisory Board at Shareholders Meetings. Likewise, in accordance with the law and the Company’s Bylaws, the General Partners may not take part in any votes cast at Shareholders Meetings concerning the election or re-election of Supervisory Board members and their shares are not included in the quorum for the related resolutions.

For further information on Michelin’s corporate governance principles, see the Corporate Governance Report in section 4 of this Registration Document.

/ The Supervisory Board is recommending that shareholders re-elect two Supervisory Board members

The terms of Barbara Dalibard and Aruna Jayanthi are due to expire at the close of the Annual Shareholders Meeting called to approve the financial statements for the year ended December 31, 2018.

The candidate selection process, the criteria applied by the Compensation and Appointments Committee and a presentation of the candidates are set out
in the report of the Supervisory Board on the proposed resolutions (see the Notice of Meeting for the 2019 Annual Shareholders Meeting and section 10.2.1 of this Registration Document).

Following this process the Supervisory Board decided unanimously (with the exception of Barbara Dalibard and Aruna Jayanthi who were not consulted) to ask the Managing Chairman to recommend at the Annual Shareholders Meeting the re-election of Barbara Dalibard and Aruna Jayanthi to the Board for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2022.

**Tenth resolution**  
**Re-election of Barbara Dalibard as a member of the Supervisory Board**

Having considered the reports of the Managing Chairman and the Supervisory Board, the Ordinary Shareholders Meeting re-elects Barbara Dalibard as a member of the Supervisory Board for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2022.

**Eleventh resolution**  
**Re-election of Aruna Jayanthi as a member of the Supervisory Board**

Having considered the reports of the Managing Chairman and the Supervisory Board, the Ordinary Shareholders Meeting re-elects Aruna Jayanthi as a member of the Supervisory Board for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2022.

**12th resolution: Supervisory Board compensation**

The Managing Chairman is presenting to the Annual Shareholders Meeting a resolution proposed and supported by the Supervisory Board to increase the total compensation paid to the Supervisory Board in the form of attendance fees to €770,000 per year.

The reasons for the proposed increase are set out in the report of the Supervisory Board on the proposed resolutions (see the Notice of Meeting for the 2019 Annual Shareholders Meeting and section 10.2.4 of this Registration Document).

as a member of the Supervisory Board for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2022.

**Twelfth resolution**  
**Supervisory Board compensation**

Having considered the reports of the Managing Chairman and the Supervisory Board, the Ordinary Shareholders Meeting sets the total annual compensation awarded to the Supervisory Board at €770,000 (seven hundred and seventy thousand euros), effective from the financial year beginning on January 1, 2019.
13th resolution

/ Authorization for the Managers to grant new or existing performance shares to employees of the Company and Group subsidiaries (other than the Managers), without pre-emptive subscription rights for existing shareholders

Approved by a majority of 99.60% of the votes cast, this resolution replaces the 25th resolution of the Annual Shareholders Meeting of May 13, 2016, which was used to launch three performance share plans in 2016, 2017 and 2018.

Details of these plans and the achievement rate for each performance criterion are presented in section 5.5.4 of this Registration Document.

An ex-post assessment of the results of the plans showed that performance criteria had been set at reasonably challenging levels given the prevailing environment. For each plan launched by the Group, at least one criterion was only very partially fulfilled with the result that a significant proportion of the performance share rights did not or will not vest.

For the 2018 plan, the trigger points for the environmental performance criterion have been raised significantly (see the table presenting the plan and the intermediate situation in section 5.5.4 c) of this Registration Document).

In the same way as the resolution approved in 2016, the 2019 resolution concerns the grant of new or existing shares, subject to performance conditions, to employees of the Company and French and foreign Group subsidiaries. The list of grantees, the number of shares to be granted to each one and the grant criteria would be decided by the Managers, based on the recommendation of the Compensation and Appointments Committee of the Supervisory Board.

No performance shares would be granted to the Managers, who are the Company’s executive officers.

The performance shares would be subject to a vesting period of four years and fulfillment of performance objectives measured over three years.

The performance criteria would be structured in a similar manner to those in the authorization approved in 2016 and would be based on three objectives reflecting different aspects of the strategy implemented by Michelin as an extension of its Ambitions for 2020 described in section 2.1 of this Registration Document. These objectives are as follows:

- a financial performance objective: growth in the Michelin share price;
- a corporate social responsibility objective: improvements in the environmental performance of manufacturing operations and employee engagement rates;
- a profitability objective: growth in the segment’ operating income.

These criteria would apply to all performance share grants, whatever the grantee’s level of responsibility.

Provided that the grantee was still employed by the Group at the end of the vesting period (or qualified for an exemption from this requirement under French law or in the cases decided by management), then the achievement for all of the above criteria would condition the number of shares delivered.

The number of vested shares per grantee would not exceed the number of performance share rights initially granted.

The number of shares granted under this authorization would not exceed 0.7% of the Company’s capital on the day of the decision (1,258,933 shares based on the capital at December 31, 2018). The very limited increase in the maximum of number of shares (0.2%) is designed to take into account the Group’s recent business acquisitions by enabling performance shares to be offered to a greater number of employees.
This authorization would be given for a period of 38 months.
This type of proposed resolution is explained in detail in Information Sheet 6.2 “Grants of free shares” of the MEDEF Guide, “Proposed resolutions submitted to the vote of shareholders of listed companies” available (in French only) at www.medef.com/.

**A financial performance criterion: growth in the Michelin share price**

This criterion concerns Michelin's share performance compared with that of the CAC 40 index. It falls under the third objective, “Secure our financial performance”, of the Ambitions for 2020. The CAC 40 index has once again been chosen due to the breakdown of the Group's operations between various product families (Truck tires, Passenger car and Light truck tires, Specialty businesses, High Technological Materials) and related services. These operations expose the Group to changes in consumer goods markets (around 43% of the Group's business), economic growth and industrial markets (around 25%), raw materials markets (around 19%). In this regard, automotive stocks alone (automotive markets account for around 13% of the Group's business) – and especially automotive equipment stocks – would be a less appropriate benchmark for measuring Michelin's performance. This criterion has a 35% weighting.

If the gain in Michelin's share price is at least 15 points more than the gain in the CAC 40, the achievement rate would be 100% and the maximum 35% of the performance shares would vest.

If the gain in Michelin's share price is less than 15 points more than the gain in the CAC 40, the result would be: 35% x (gain in the Michelin share price – gain in the CAC 40 index)/15.

If the gain in Michelin's share price is less than the gain in the CAC 40, the achievement rate would be 0%.

This criterion would be assessed between the average of the closing prices quoted on Euronext Paris for the six-month period preceding the reference three-year period and the same average for the last six months of the three-year period. For example, for a performance share plan launched in 2019 with a three-year vesting period from 2019 to 2021, gains in the Michelin share price and the CAC 40 would be calculated by comparing the average price for the second half of 2018 and that for the second half of 2021.

As an example of past performance, comparing the average closing price between the second half of 2015 and the second half of 2018, the Michelin share (+10.5%) outperformed the CAC 40 (+9.0%) by 1.5 points (source: Euronext).

**A corporate social responsibility criterion: 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 has a 15% weighting, the criterion's total weighting would be 30%.

To enable these indicators to be aligned more easily with changes affecting the Group in the period during which the authorization could be used (38 months), especially in the case of an accelerated improvement in the indicators or changes in the scope of the Group's businesses, performance would be calculated by reference to their rate of progression and not by reference to fixed values as was the case previously. The first indicator is still part of the second objective (“Set the industry standard for responsible manufacturing”) and the fourth objective (“Work together to continuously improve employee well-being and personal growth”) of the Ambitions for 2020.
Since 2005, Michelin has measured and published these operations’ energy use, water withdrawals, CO₂ emissions, volatile organic compound emissions, amount of waste produced and amount of waste landfilled, using the Michelin site Environmental Footprint (MEF) indicator. The Group’s goal for 2020 is to reduce the MEF by 50% compared with 2005.

The action taken and gains made to date are presented in section 6.6.1 b) of this Registration Document.

The environmental performance of the manufacturing indicator covers the Group’s current business scope. It has a weighting of 15% and would be taken into account as follows:

▶ if the average reduction in the MEF over three years is less than 0.5 points, 0% of the performance shares for this objective will vest;
▶ if the average reduction in the MEF over three years is between 0.5 points and 1.0 point, 5% of the performance shares for this objective will vest;
▶ if the average reduction in the MEF over three years is between 1.1 points and 1.5 points, 10% of the performance shares for this objective will vest;
▶ if the average reduction in the MEF over three years is greater than 1.5 points, the maximum 15% of the performance shares for this objective will vest.

This indicator would be assessed as the average for a rolling three-year period starting from the year in which the plan is launched. For example, for a performance share plan launched in 2019 with a three-year vesting period from 2019 to 2021, the average reduction in MEF would be calculated based on the annual reduction for each of the three years 2019, 2020 and 2021.

As an example of past performance, the average annual reduction in MEF for the last three years was 4.5 points (based on the observed changes in absolute values reported in the corresponding Registration Documents; source: page 188 of the 2016 Registration Document, page 205 of the 2017 Registration Document and page 250 of this Registration Document).

The second indicator, employee engagement, is more than ever an important driver of operational excellence and the Group’s ability to meet its performance objectives. Michelin has set the particularly ambitious objective of becoming a world-class leader in this area by reaching and maintaining an 85% employee engagement rate by 2020. Since 2013, the annual “Moving Forward Together: Your Voice for Action” survey has measured the engagement rate and employee opinions about their work.

The action taken, gains made to date and the detailed employee engagement calculation method are presented in section 6.6.4 a) of this Registration Document.

The employee engagement indicator covers the Group’s current business scope. It has a weighting of 15% and would be taken into account as follows:

▶ if the average engagement rate improves by less than 0.1 points, 0% of the performance shares for this objective will vest;
▶ if the average engagement rate improves by between 0.1 points and 1.5 points, the performance shares for this objective will vest proportionately to the achievement rate;
▶ if the average engagement rate improves by more than 1.5 points, the maximum 15% of the performance shares for this objective will 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. For example, for a performance share plan launched in 2019 with a three-year vesting period from 2019 to 2021, the average improvement in the engagement rate would be calculated based on the annual improvement for each of the three years 2019, 2020 and 2021.

As an example of past performance, the average annual improvement in the engagement rate for the last three years was 1.0 point (based on the observed changes in absolute values reported in this Registration Document, page 16).
A profitability criterion: growth in operating income

This criterion concerns growth in the Segment operating income\(^1\) of the Group in € millions in value (based on current business scope and accounting methods, excluding changes in exchange rates).

It falls under the third objective, “Secure our financial performance”, of the Ambitions for 2020. The choice of this criterion is part of the Group’s value creation strategy aiming to guarantee a robust and sustainable financial position, the independence of the Group and the achievement of its growth ambitions.

This criterion has a 35% weighting.

It would be taken into account as follows:

- if average annual growth in the Segment operating income exceeds €200 million, the achievement rate would be 100% and the maximum 35% of the performance shares for this objective will vest;
- if average annual growth in the Segment operating income is between €100 million and €200 million, the performance shares will vest proportionately to the improvement;
- if average annual growth in the Segment operating income is less than €100 million, the achievement rate would be 0% and none of the performance shares for this objective will 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. For example, for a performance share plan launched in 2019 with a three-year vesting period from 2019 to 2021, the average would be calculated based on the annual growth rate for each of the three years 2019, 2020 and 2021.

As an example of past performance, based on a €237 million increase in operating income from recurring activities for 2016, a €145 million increase for 2017 and a €265 million increase for 2018, average growth in operating income from recurring activities for the last three years was €216 million. Source: Registration Document 2016 (page 42), 2017 (page 44) and 2018 (page 46).

Thirteenth resolution

(Authorization for the Managers, or any one of them, to grant new or existing performance shares to employees of the Company and Group subsidiaries (other than the Managers), without pre-emptive subscription rights for existing shareholders)

Having considered the report of the Managing Chairman, the Statutory Auditors’ special report and the report of the Supervisory Board, and having noted the approval of the General Partners, the Extraordinary Shareholders Meeting resolves:

- to authorize the Managers, or any one of them, in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code, to grant performance shares to selected employees of the Company and related entities within the meaning of Article L. 225-197-2 of said Code, other than the Company’s executive officers, on the basis defined below;

---

\(^1\) Formerly known as operating income from recurring activities, segment operating income is the performance metric of the reporting segments. It is stated before the amortization of brands and customer lists recognized on the acquisition of the corresponding companies, which is included in other operating income and expenses.
that existing or new shares granted pursuant to this authorization may not represent more than an aggregate 0.7% (zero point seven percent) of the Company’s capital at the date of this Meeting. This ceiling shall not include the par value of any additional shares to be issued in accordance with the applicable laws, regulations or contractual provisions in order to protect the rights of existing holders of securities carrying rights to shares or of other rights to the Company’s shares;

that the Managers, or any one of them, shall draw up the list of grantees, and determine the number of shares to be granted and the grant conditions and criteria, which shall include performance criteria determined with the Supervisory Board’s agreement;

that the performance shares shall be subject to a vesting period set by the Managers, or any one of them, which shall be at least three years and may be followed by a lock-up period set by the Managers, or any one of them, for certain grantees;

that the performance shares shall vest before the end of the above vesting period and that all restrictions on their sale shall be lifted in the event of the grantee’s death or if the grantee is affected by a category 2 or 3 disability as defined in Article L. 341-4 of the French Social Security Code (Code de la sécurité sociale);

that, if the decision is made to deliver new shares to grantees, the successive share issues carried out when the performance shares vest shall be paid up by capitalizing reserves, profit or additional paid-in capital, and that existing shareholders shall waive their pre-emptive right to subscribe for said new shares;

that the Managers, or any one of them, shall have the broadest powers, within the above-defined limits and the limits resulting from the law, to:
• provide for the possibility of temporarily suspending the performance share rights on the basis prescribed by the applicable laws and regulations,
• place on record the dates on which the performance shares vest and the dates on which the restrictions on their sale are lifted, in accordance with this resolution and taking into account the legal restrictions,
• record the performance shares in a registered share account in the grantee’s name,
• provide for the possibility of adjusting the number of performance shares during the vesting period in order to protect the rights of grantees following any corporate actions carried out by the Company,
• generally, do everything useful or necessary to implement this authorization, carry out any and all filing and other formalities, place on record the resulting capital increases and amend the Bylaws to reflect the new capital.

This authorization shall be valid for a period of thirty-eight months from the date of this Meeting and supersedes any authorization previously granted for the same purpose.
14th resolution

/ Authorization for the Managers to reduce the Company’s capital by canceling shares

In the fourteenth resolution, shareholders are invited to authorize the Managers, or any one of them, for a period of 18 months, to reduce the Company’s capital by canceling treasury shares purchased under shareholder-approved buyback programs.

This 18-month authorization would replace the authorization granted for the same purpose at the Annual Shareholders Meeting of May 18, 2018 (22nd resolution).

During 2018, the Company used the previous authorization to buy back and cancel 648,231 shares, resulting in a corresponding capital reduction. For details of the buybacks, see section 5.5.6 of this Registration Document.

A detailed explanation of this type of proposed resolution is provided in Information Sheet 5.9, “Authorizations to carry out capital reductions”, in the MEDEF Guide “Proposed resolutions submitted to the vote of shareholders of listed companies”, available (in French only) at www.medef.com/.

Fourteenth resolution

(Authorization for the Managers or any one of them to reduce the Company’s capital by canceling shares)

Having considered the report of the Managing Chairman, the Statutory Auditors’ special report and the report of the Supervisory Board, and having noted the approval of the General Partners, the Extraordinary Shareholders Meeting resolves:

▶ to authorize the Managers or any one of them to:
  • cancel, at their sole discretion, on one or more occasions, all or some of the shares purchased under shareholder-approved buyback programs, provided that the number of shares canceled does not exceed 10% (ten percent) of the Company’s capital,
  • charge the difference between the cost of the canceled shares and their par value against any available premium or reserve account;
▶ to grant the Managers, or any one of them, full powers – which may be delegated in accordance with the law – to (i) carry out the capital reduction(s) following the cancellation(s) of shares authorized under this resolution, (ii) make the corresponding accounting entries, (iii) amend the Bylaws to reflect the new capital and (iv) generally, carry out all necessary formalities.

This authorization shall be valid for a period of 18 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.
15th resolution

/ Amendment to the Bylaws – Issuance of bonds

The purpose of the fifteenth resolution is to amend the Company’s Bylaws in order to align the Managers’ powers with the normal practice of French companies, including substantially all CAC 40 companies, which authorize their Board of Directors or equivalent to decide to issue bonds. The amendment would not concern issues of potentially dilutive instruments, which would continue to be decided exclusively by shareholders in General Meeting, in accordance with the law.

The amendment would give the Group the necessary agility to raise funds on the bond markets. They would support the project to streamline with Group’s legal structure and give the Company responsibility for raising funds on the market for its own needs and those of subsidiaries. At present, some subsidiaries are able to raise funds on the market without the prior formal authorization of the Company’s shareholders in General Meeting, although the proposed issues are examined in advance by the Supervisory Board and its Audit Committee when the amounts involved are material at Group level, in accordance with the Supervisory Board’s internal rules.

In terms of control procedures, the Supervisory Board review process would be extended to all bond issues.

Shareholders should note that in all cases, the Group would continue to adhere to the strict and disciplined financing policy implemented in recent years, as highlighted by the rating agencies, in order to maintain a robust financial position.

**Fifteenth resolution**

(Amendment of the Bylaws – Issuance of bonds)

Having considered the reports of the Managing Chairman and the Supervisory Board, and having noted the approval of the General Partners, the Extraordinary Shareholders Meeting resolves to amend Article 10-3 of the Bylaws as follows (amendments in bold and italic):

<table>
<thead>
<tr>
<th>Old wording:</th>
<th>New wording:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each Manager has the authority to enter into commitments with third parties in the Company’s name, except in relation to bond issues and subject to the provisions set out below being applied.</td>
<td>Each Manager has the authority to enter into commitments with third parties in the Company’s name and subject to the provisions set out below being applied.</td>
</tr>
</tbody>
</table>

16th resolution

/ Powers to carry out formalities

The purpose of the sixteenth resolution is to give powers to carry out the formalities related to the Annual Shareholders Meeting.

**Sixteenth resolution**

(Powers to carry out formalities)

The shareholders give full powers to the bearer of an original, copy or extract of the minutes of this Ordinary and Extraordinary Shareholders Meeting to carry out all legal and administrative formalities and to make all filings and publish all notices required by the applicable laws.
### SUMMARY OF FINANCIAL AUTHORIZATIONS SUBMITTED FOR SHAREHOLDER APPROVAL

<table>
<thead>
<tr>
<th>Corporate action</th>
<th>Applicable ceilings</th>
<th>Duration (expiration date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share buyback program (5th resolution)</td>
<td>Less than 18 million shares at a maximum purchase price of €180 per share</td>
<td>18 months (November 2020)</td>
</tr>
<tr>
<td>Performance share grants (13th resolution)</td>
<td>0.7% of issued capital</td>
<td>38 months (July 2022)</td>
</tr>
<tr>
<td>Capital reduction by canceling shares (14th resolution)</td>
<td>10% of the issued capital</td>
<td>18 months (November 2020)</td>
</tr>
</tbody>
</table>
PRESENTATION OF THE SUPERVISORY BOARD

From the left to the right

Olivier BAZIL
French national
Chairman of the Audit Committee
Independent member

Jean-Pierre DUPRIEU
French national
Member of the Audit Committee
Independent member

Anne-Sophie de LA BIGNE
French national
Member of the Audit Committee
Member of the Compensation and Appointments Committee

Cyrille POUGHON
French national
Member of the Audit Committee
Non-independent member (non-executive)

Barbara DALIBARD
French national
Chairman of the Compensation and Appointments Committee
Senior independent member of the Supervisory Board
Independent member

Michel ROLLIER
French national
Chairman of the Supervisory Board
Member of the Compensation and Appointments Committee
Non-independent member (non-executive)

Aruna JAYANTHI
Indian national
Member of the Compensation and Appointments Committee
Independent member

Monique LEROUX
Canadian national
Member of the Audit Committee
Independent member

Thierry LE HENAFF
French national
Independent member

For more information on each Supervisory Board member’s experience, please refer to pages 86 to 88 of the 2018 Registration Document.
The Supervisory Board met nine times in 2018. In particular, it reviewed the strategic plans of each of the major operating units, as well as the proposed acquisitions, the implementation of the Group’s new organization and the change in its governance.

As every year, it also assessed its procedures and presented its findings in a dedicated report.

The Audit Committee assists the Supervisory Board in fulfilling its oversight role, in particular by monitoring the preparation and control of accounting and financial information and reviewing the effectiveness of risk management systems. Chaired by Olivier Bazil, the Committee has five members, four of whom are independent. It met four times in 2018.

The Compensation and Appointments Committee studies the independence of the Board’s members, examines all components of the Chief Executive Officer’s compensation package and oversees the compensation policy for senior executives as well as the allocation of performance shares. Chaired by Barbara Dalibard, the Committee has four members, three of whom are independent. It met four times in 2018.

Detailed information on this work can be found in the summary of the Board’s general activities during 2018, included in the Corporate Governance Report (from page 121 of the 2018 Registration Document).
Michelin is a société en commandite par actions (partnership limited by shares) and as such its Supervisory Board is entirely made up of non-executive members (nearly 78% of whom are independent) who represent the shareholders.

With a view to clearly segregating management and supervisory powers, neither the Managing General Partners (who represent the Company’s management body) nor the Non-Managing General Partner, SAGES (which is responsible for ensuring the Company’s continuity of leadership), may play a role in the nomination process.

None of the three General Partners is involved in decisions to recommend candidates for election to the Supervisory Board at Shareholders Meetings. In addition, 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.

The terms of Barbara Dalibard and Aruna Jayanthi are due to expire at the close of the Annual Shareholders Meeting called to approve the financial statements for the year ended December 31, 2018.

Barbara Dalibard and Aruna Jayanthi have informed the other Supervisory Board members that they wish to stand for re-election, which is the purpose of the 10th and 11th resolutions.

/ Barbara Dalibard

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

Barbara Dalibard was born in 1958 and is a French national. She is currently Managing Chairman of SITA. Her previous positions included Managing Chairman of SNCF Voyageurs, member of the France Telecom group Management Committee in charge of enterprise communication solutions, and various management positions within France Telecom and Alcatel.

Barbara Dalibard owned 485 Michelin shares as of December 31, 2018.

She was originally appointed to Michelin’s Supervisory Board in 2008 and was most recently re-elected at the Annual Shareholders Meeting of May 22, 2015 by a majority of 99.27% of the votes cast.

She has been Chair of the Compensation and Appointments Committee since 2015, and the Supervisory Board’s Senior Independent Member since 2017.
Barbara Dalibard was classified as independent following the Supervisory Board’s latest review of its members’ independence(1) because:

- she does not have any close family ties with either the Managing Chairman or any member of the Supervisory Board;
- she is not currently and never has been an employee of Michelin or any of its subsidiaries;
- she has not been a member of the Supervisory Board for more than 12 years;
- she is not a corporate officer of a company in which Michelin directly or indirectly has a seat on the Board, or in which a corporate officer of Michelin has a seat on the Board;
- she has not been an auditor of Michelin in any of the past five years;
- she is not a shareholder or a corporate officer of SAGES, which is one of Michelin’s General Partners;
- she is not a customer, supplier or banker that is material for Michelin or that derives a significant portion of its business from Michelin.

The Board examined Barbara Dalibard’s candidature for re-election for a four-year term based on the above-mentioned criteria, taking into account:

- her excellent understanding of the challenges facing the Group;
- her broad international experience and exposure to global cultures;
- her knowledge of new technologies;
- her experience in the transport and mobility sectors, and her familiarity with the environmental issues facing these sectors;
- her grasp of the Group’s specific governance structure and its expectations in terms of governance and management performance;
- her availability, attendance rate and engagement at meetings of the Supervisory Board and the Compensation and Appointments Committee. In 2018, her attendance rate at Board and Compensation and Appointments Committee meetings was 100%;
- the fact that she is an independent member of the Board and has no conflicts of interest.

In addition, the Chairman and all the members of the Supervisory Board consider that, as Chair of the Compensation and Appointments Committee and Senior Independent Member, she makes a vital contribution to the Board’s governance and its relations with the Managers and General Partners, in particular as regards the implementation of the succession plans.

On the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided to recommend that Barbara Dalibard be re-elected for a further four-year term. She did not take part in the Board’s discussion or vote.

/ Aruna Jayanthi
Capgemini India Pvt. Ltd – Godrej & Boyce Compound, LBS Road, Vikhroli (West), Mumbai 400079 (India)

Aruna Jayanthi was born in 1962 in Visakhapatnam (India) and is an Indian national.

She speaks French fluently.

Since 2018, she has been Managing Director, Asia Pacific and Latin America Business Unit at Capgemini. She was previously Managing Chairman of a Business Services Unit providing BPO and Platform (integrated technology and operations) services (Capgemini & IGATE). From 2011 until the end of 2015, Aruna Jayanthi was Managing Chairman 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.

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.

Aruna Jayanthi owned 400 Michelin shares as of December 31, 2018.

(1) See the detailed review of Supervisory Board members’ independence in the Corporate Governance Report in section 4.3.2 g) of the 2018 Registration Document.
Aruna Jayanthi was elected to the Supervisory Board for the first time at the Annual Shareholders Meeting of May 22, 2015, by a majority of 99.67% of the votes cast. She has been a member of the Compensation and Appointments Committee since 2018.

The Committee examined the business relationship between Michelin and the Capgemini group, whose Asia Pacific and Latin America Business Unit is headed by Aruna Jayanthi. Worldwide transactions between the Capgemini group and Michelin represent only a small proportion of Michelin’s purchases of IT services, and do not account for a significant portion of Capgemini’s revenue. 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.

Aruna Jayanthi fulfills all the other independence criteria(1), because:

- she does not have any close family ties with either the Managing Chairman or any member of the Supervisory Board;
- she is not currently and never has been an employee of Michelin or any of its subsidiaries;
- she has not been a member of the Supervisory Board for more than 12 years;
- she is not a corporate officer of a company in which Michelin directly or indirectly has a seat on the Board, or in which a corporate officer of Michelin has a seat on the Board;
- she has not been an auditor of Michelin in any of the past five years;
- she is not a shareholder or a corporate officer of SAGES, which is one of Michelin’s General Partners;
- she is not a customer, supplier or banker that is material for Michelin or that derives a significant portion of its business from Michelin.

The Board examined Aruna Jayanthi’s candidature for re-election (for the first time) for a four-year term based on the above-mentioned criteria, taking into account:

- the pros and cons of re-electing her;
- her excellent understanding of the challenges facing the Group;
- her expertise in new technologies and the digital environment;
- her managerial experience as a member of the Executive Committee of an international group;
- the skills and international experience she brings to the Board;
- her availability, attendance rate and engagement at meetings of the Supervisory Board and the Compensation and Appointments Committee. In 2018, her attendance rate at Board and Compensation and Appointments Committee meetings was 100%;
- the fact that she is an independent member of the Board and has no conflicts of interest;
- her contribution to the Board’s diversity.

On the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided to recommend that Aruna Jayanthi be re-elected for a further four-year term. She did not take part in the Board’s discussion or vote.
Expiration dates of Supervisory Board members’ terms of office

After the Annual Shareholders Meeting, the expiration dates of the Supervisory Board members’ terms of office will be effectively staggered, as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>2020 AGM</th>
<th>2021 AGM</th>
<th>2022 AGM</th>
<th>2023 AGM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olivier Bazil</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barbara Dalibard</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Anne-Sophie de La Bigne</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jean-Pierre Duprieu</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aruna Jayanthi</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Monique Leroux</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyrille Poughon</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Michel Rollier</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Thierry Le Hénaff</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

**NUMBER OF EXPIRATIONS BY YEAR**

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

“Say-On-Pay” Advisory Vote on the 2018 Compensation of the Managing Chairman and the Other Managers (6th, 7th and 8th resolutions)

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

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

---

(1) In line with the compensation policy described in section 4.4 of the Corporate Governance report reproduced in the 2017 Registration Document (page 122).

(2) Recommendation applied by the Company since it came into effect and, in 2018, in compliance with the most recent version of the AFEP/MEDEF Code dated June 2018.
The compensation components concerned and the related reviews performed by the Compensation and Appointments Committee and the Supervisory Board are described in the Managing Chairman’s report on the sixth, seventh and eighth resolutions (section 10.1.1 of this Registration Document).

Consequently, the Supervisory Board recommends that shareholders issue a positive advisory vote on the components of the compensation due or awarded for 2018 to:

- Jean-Dominique Senard, Managing Chairman and Managing General Partner;
- Florent Menegaux, Managing General Partner since May 18, 2018;
- Yves Chapot, General Manager since May 18, 2018.

“SAY-ON-PAY” ADVISORY VOTE ON THE COMPENSATION OF THE CHAIRMAN OF THE SUPERVISORY BOARD FOR 2018 (9th resolution)

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

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

The compensation components concerned and the related reviews performed by the Compensation and Appointments Committee and the Supervisory Board are described in the Managing Chairman’s report on the ninth resolution (section 10.1.1 of this Registration Document).

Consequently, the Supervisory Board recommends that shareholders issue a positive advisory vote on the components of the compensation due or awarded for 2018 to Michel Rollier, Chairman of the Supervisory Board and sole non-independent non-executive director.
Concerning the other ordinary resolutions, the accounting and financial information communicated to shareholders and the Managing Chairman’s report present the Group’s operations and results for 2018 (for the purposes of the first, second and third ordinary resolutions).

We have no comments on the Statutory Auditors’ reports on the financial statements.

As no new related-party agreements requiring shareholder approval were entered into in 2018, you are asked to place on record that there are no such agreements to approve (fourth resolution).

Before asking shareholders to approve the financial statements of the Company, the consolidated financial statements and the proposed appropriation of net income, we would like to underscore last year’s robust performance and the faster deployment of the Group’s strategy through the recent acquisitions and partnerships.

These good performances lead us to reaffirm our confidence in the Managers.

They also lead us to support the Managing Chairman’s recommendation to set the dividend at €3.70 per share (second resolution).

The Company wishes to renew its share buyback program on the same terms as for the previous program (fifth ordinary resolution). An authorization to cancel shares bought back under the program is also being sought to replace the authorization granted at the 2017 Meeting which was used by the Company during the year (14th extraordinary resolution).

At this year’s Meeting, we intend to ask shareholders to approve an increase in the total attendance fees awarded to the Supervisory Board, to take into account:

- the growing demands placed on members in terms of professionalization, engagement and availability, particularly in connection with the activities of the Committees of the Board (Audit Committee, and Compensation and Appointments Committee) and the Senior Independent Member(1);
- the significant gap between the average fees paid to Supervisory Board members and the members of the Supervisory Boards and Boards of Directors of other CAC 40 companies;

(1) A summary of the work carried out by the Supervisory Board, the Board Committees and the Senior Independent Member in 2018 is included in section 4.3.2 of this Registration Document.
the increase in the number of Audit Committee members;

> the 50% increase in the number of Supervisory Board meetings between 2016 (date of the last attendance fee increase) and 2018;

> the need to retain and continue to attract Supervisory Board members with the recognized experience and first-rate skills required to represent shareholders in a group that has a broad international footprint following its recent acquisitions.

For these reasons, the Supervisory Board proposes that the total attendance fee budget should be increased from €555,000 to €770,000 for the 2019 fiscal year, payable in 2020 (12th resolution). In accordance with the Supervisory Board’s internal rules, a substantial portion of the attendance fees allocated to its members is contingent on their actual attendance at Board and Committee meetings.

Shareholders will be asked to renew the authorization given at the May 13, 2016 Annual Shareholders Meeting to grant performance shares to Michelin employees (excluding corporate officers of the Company). The performance conditions have been reviewed and are supported by the Compensation and Appointments Committee(1).

Lastly, shareholders will be asked to approve an amendment to the Bylaws aligning the Managers’ powers with those granted to the boards of directors or equivalent of other CAC 40 companies concerning the issuance of bonds. Issues representing material amounts would continue to be subject to the Supervisory Board’s prior review(2) and the Group would continue to adhere to its strict and disciplined financing policy.

We recommend that shareholders adopt the proposals submitted by the Managing Chairman for their approval by voting in favor of the corresponding ordinary and extraordinary resolutions.

February 11, 2019

The Supervisory Board

---

(1) See the detailed presentation of the 13th proposed resolution in section 10.1.1 of this Registration Document.

(2) See the detailed presentation of the 14th proposed resolution in section 10.1.1 of this Registration Document.
STATUTORY AUDITORS’ REPORT ON THE AUTHORIZATION TO GRANT PERFORMANCE SHARES, EXISTING OR TO BE ISSUED

Combined Shareholders’ Meeting of May 17, 2019 – 13th resolution

This is a free translation into English of the Statutory Auditors’ report issued in French and is provided solely for the convenience of English speaking users. This report includes information specifically required by French law, such as information about the appointment of Statutory Auditors or verification of the Managing Chairman’ management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Compagnie Générale des Établissements Michelin Shareholders’ meeting,

In our capacity as statutory auditors of your Company and pursuant to Article L. 225-197-1 of the French Commercial Code (Code de commerce), we hereby report to you on the authorization sought to grant performance shares, existing or to be issued, to selected employees of your company and the companies affiliated to it within the meaning of Article L. 225-197-2 of the French Commercial Code, with the exception of corporate officers of your company, on which you are asked to vote.

The number of shares, existing or to be issued, granted in accordance with this authorization will not represent more than 0,7% of share capital at the date of this shareholders’ meeting.

Your Managing Chairman recommends that, based on his report and for a period of 38 months as of the date of this meeting, you authorize him to grant performance shares, existing or to be issued.

The Managing Chairman is responsible for preparing a report on the proposed operation. Our role is to report to you on the information provided to you on the proposed operation.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement.

Such procedures primarily consisted in verifying that the terms proposed and the information included in the Managing Chairman’s report comply with the applicable legal provisions.

We have nothing to report concerning the information included in the Managing Chairman’s report on the proposed authorization to grant performance shares.

Neuilly-sur-Seine and Paris-La Défense, March 7, 2019

The Statutory Auditors

Deloitte & Associés
Pascale Chastaing-Doblin

PricewaterhouseCoopers Audit
Jean-Christophe Georghiou
STATUTORY AUDITORS’ REPORT ON THE CAPITAL REDUCTION

Combined Shareholders’ meeting of May 17, 2019 – 14th resolution

This is a free translation into English of the Statutory Auditors’ report issued in French and is provided solely for the convenience of English speaking users. This report includes information specifically required by French law, such as information about the appointment of Statutory Auditors or verification of the Managing Chairman’ management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Compagnie Générale des Établissements Michelin Shareholders’ meeting,

In our capacity as Statutory Auditors of your Company and pursuant to Article L. 225-209 of the French Commercial Code (Code de commerce) concerning capital reductions carried out by canceling bought-back shares, we hereby present our report on our assessment of the reasons for and terms of the proposed capital reduction(s).

Your Managing Chairman has proposed that you delegate to the Managers, or to one of them, for a period of 18 months as of the date of this meeting, the authority to cancel, for up to 10% of the share capital, the bought-back shares of your company, as authorized under the aforementioned article.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes), for this type of engagement. Those procedures consisted of examining the fairness of the reasons for and whether the terms of the proposed capital reduction(s), which do not undermine shareholders’ equality, were compliant.

We have nothing to report concerning the reasons for and the terms of the proposed capital reduction(s).

Paris-La Défense and Neuilly-sur-Seine, March 7, 2019

The Statutory Auditors

Deloitte & Associés
Pascale Chastaing-Doblin

PricewaterhouseCoopers Audit
Jean-Christophe Georghiou

OTHER STATUTORY AUDITORS’ REPORTS

The Statutory Auditors’ reports to the Annual Shareholders Meeting of May 17, 2019 that are not presented below can be found in the following sections of this Registration Document:

▶ Report on the Company financial statements: in section 8.3;
▶ Special report on regulated agreements and commitments with third parties: in section 8.4;
▶ Report on the consolidated financial statements: in section 7.2;
▶ Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated environmental, labour and social information presented in the management report: in section 6.7.
<table>
<thead>
<tr>
<th>I. Capital at December 31</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Share capital</td>
<td>371,452</td>
<td>363,804</td>
<td>360,132</td>
<td>359,042</td>
<td>359,695</td>
</tr>
<tr>
<td>b) Number of common shares outstanding</td>
<td>185,726,200</td>
<td>181,902,182</td>
<td>180,066,121</td>
<td>179,520,987</td>
<td>179,847,632</td>
</tr>
<tr>
<td>II. Results of operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Net revenue</td>
<td>503,954</td>
<td>564,550</td>
<td>537,617</td>
<td>681,188</td>
<td>895,113</td>
</tr>
<tr>
<td>b) Earnings before tax, depreciation, amortization and provisions (EBTDA)</td>
<td>598,149</td>
<td>653,701</td>
<td>1,430,254</td>
<td>1,058,933</td>
<td>1,028,453</td>
</tr>
<tr>
<td>c) Income tax</td>
<td>22,365</td>
<td>40,511</td>
<td>24,284</td>
<td>(16,054)</td>
<td>47,930</td>
</tr>
<tr>
<td>d) Net income</td>
<td>555,428</td>
<td>589,684</td>
<td>1,415,894</td>
<td>1,029,300</td>
<td>813,150</td>
</tr>
<tr>
<td>III. Per share data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Earnings per share after tax, before depreciation, amortization and provision expenses (EBDA)</td>
<td>3.10</td>
<td>3.37</td>
<td>7.80</td>
<td>5.99</td>
<td>5.45</td>
</tr>
<tr>
<td>b) Basic earnings per share</td>
<td>2.99</td>
<td>3.24</td>
<td>7.86</td>
<td>5.73</td>
<td>4.52</td>
</tr>
<tr>
<td>c) Dividend per share</td>
<td>2.50</td>
<td>2.80</td>
<td>3.25</td>
<td>3.55</td>
<td>3.70(^{(1)})</td>
</tr>
<tr>
<td>IV. Employee data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Average number of employees</td>
<td>8</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>b) Total payroll</td>
<td>318</td>
<td>670</td>
<td>34</td>
<td>28</td>
<td>877</td>
</tr>
<tr>
<td>c) Total benefits</td>
<td>139</td>
<td>199</td>
<td>(4)</td>
<td>95</td>
<td>369</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 2018 dividend subject to approval by shareholders at the Annual Meeting on May 17, 2019.
OPT FOR THE E-NOTICE OF MEETING...
IF YOU HAVEN’T ALREADY DONE SO

Together, we can help reduce paper and ink consumption and save on postage costs.

In line with our sustainable development drive, thousands of shareholders have already agreed to receive their Notice of Meeting by email.

WHY NOT YOU?

MORE PRACTICAL
receive all Shareholders’ Meeting documents as soon as they become available and take part in events that interest you

MORE TIME-EFFECTIVE
get instant confirmation that your vote has been counted

MORE SECURE
vote using your personal access codes and password

MORE ECO-FRIENDLY
do your part for the environment and help save our forests

To receive your Notice of Meeting by email, simply fill out the slip below and return it to us with the voting form in the enclosed, reply-paid envelope.

Last name: ...............................................................................................................................................................
First name: ..............................................................................................................................................................
Town/city: ................................................................................................................................................................
Postal code: ............................................................................................................................................................
Phone: .......................................................................................................................................................................

I hereby authorize Compagnie Générale des Établissements Michelin to send my Notice of Meeting and any documents concerning the Annual Shareholders’ Meeting of Compagnie Générale des Établissements Michelin to the following email address:

.........................................................................................................................................@..............................................................................
REQUEST FOR ADDITIONAL DOCUMENTS

MICHELIN INVITES YOU TO CONSULT THE DOCUMENTS* AVAILABLE ON ITS WEBSITE:


To receive information about the Annual Shareholders Meeting in paper format, please fill in your personal details and address in the form below and send it back with the proxy/postal voting form in the enclosed reply-paid T-envelope.

Société Générale ID: ..................................................................................................................................

Mr., Ms.: ..........................................................................................................................................

Address: ..........................................................................................................................................

Postal code: .......................................Town/country: ......................................................................

Email: ................................................@ ..........................................................................................

Number of Michelin shares you hold: ...............................................................................................  

Signed in [town] ........................................ on [date] ................................

Signature
