

**BIB'**  
**ACTION**



# Q&A



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# **EMPLOYEE SHAREHOLDER PLAN**

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## **EMPLOYEE SHAREHOLDER PLAN**

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### **1. WHY BECOME A MICHELIN SHAREHOLDER?**

The Group is committed to making share ownership more accessible to employees. “Employee shareholding has two important aspects: it is a sign of the trust and commitment that we all have in our Group, and it also helps strengthen a core group of shareholders and therefore make the company’s capital more stable. For these two reasons, we hope that employee shareholding will increase significantly in the coming years.”

### **2. WILL EMPLOYEE SHAREHOLDERS HAVE ADDITIONAL RIGHTS COMPARED WITH OTHER EMPLOYEES?**

No. Being a shareholder has no bearing on being an employee; each of these situations is separate and governed by its own regulations. Being a shareholder, whether you are an employee or not, gives you the right to information on the economic and financial situation of the company, the right to vote at the General Shareholders’ Meeting and the right to receive a dividend, the amount and payment of which are set in line with the company’s performance and are subject to a vote at the General Shareholders’ Meeting.

### **3. HOW MUCH CAN AN EMPLOYEE SHAREHOLDER EXPECT TO PROFIT?**

Like any shareholder, an employee shareholder will benefit from a dividend paid every year for each share held. The dividend paid depends on the Group’s performance and on the decision of the General Shareholders’ Meeting. When calculating the profit, both the dividends received and any capital gain realized on the sale of the shares must be taken into account. An employee will only know at the time they sell their shares whether they have realized a capital gain. If the Michelin share price falls, an employee will only lose money if they decide to sell.

### **4. WHAT IS A CAPITAL GAIN/LOSS?**

The capital gain is calculated as the difference between the sale price and the purchase price of a share. If the difference between the two is positive, the employee shareholder realizes a capital gain. If the difference is negative, they realize a capital loss.

# VESTING PERIOD AND SECURITIES MANAGEMENT

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## 1. WHEN WILL THE SHARES BE AVAILABLE?

The shares purchased under the BIB'Action plan will be blocked for 5 years from the date of allocation, except in the event of early release. After this period, they will be available and visible on the employee's Sharinbox account held by Société Générale. Under the AGA plans (allocation of free shares), the share rights granted are subject to a vesting period of 4 years.

## 2. WHO ANSWERS EMPLOYEES' QUESTIONS AFTER SUBSCRIPTION?

The [shareaction.michelin.com](https://shareaction.michelin.com) website is available for your use. For more information, you can also contact the Michelin employee shareholder team at the address [compte-fonction.infoshareholder@michelin.com](mailto:compte-fonction.infoshareholder@michelin.com) or the dedicated employee shareholder representative in your entity. Finally, if you have any questions about managing your account, you can visit Société Générale's "Nomilia" platform: 1 844 890 5676 (USA and Canada) • +33 2 51 85 67 89 (all other countries)

## 3. WHY IS THERE A VESTING PERIOD?

The vesting period is required by French law. The requirement to hold the shares for five years, without being able to sell them, is the quid pro quo for the tax benefits granted by the French government.

## 4. ARE THERE ANY MANAGEMENT FEES TO BE PAID WHILE HOLDING THE SHARES?

Yes, but Michelin covers them in full for all employees as long as they still work for the company.

## 5. WHAT HAPPENS AT THE END OF THE VESTING PERIOD?

Employees can check the availability of their shares themselves by logging into their Sharinbox account. If their shares are available, they then have the option to sell them or keep them.

## 6. ARE THERE ANY BANK CHARGES AT THE TIME THE SHARES ARE SOLD?

Yes, the amount of bank charges has been negotiated by Michelin for all employees. In 2023, these charges will be 0.30% of the gross transaction value, with a minimum of €6 for any request. Please note that this rate and amount may vary and are provided only as a guide.

## **7. HOW WILL EMPLOYEES RECEIVE NOTIFICATIONS ABOUT THEIR SHARES?**

When subscribing online, employees will receive an acknowledgment of receipt confirming the number of shares requested. The BIB'Action communications coordinators also have access to these documents if required.  
In addition, at the end of 2023, each employee who has subscribed will receive a letter specifying the number of shares allocated. They will also receive an account statement in the first quarter of 2024 summarizing all their holdings.  
All employee shareholders will also have access to the Société Générale website at [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com), allowing them to view their securities account and manage their available shares.

## **8. HOW CAN EMPLOYEES FOLLOW MICHELIN'S SHARE PRICE ON THE PARIS STOCK EXCHANGE?**

Michelin's share price is available on each country's intranet and on the Michelin corporate website. Most of the major business newspapers also provide daily share prices for the world's leading companies.

## **9. WHO MANAGES EMPLOYEE SHARES?**

A French bank, Société Générale, was selected following a tender process to manage employee shares in most of the Group's countries. In the United Kingdom, Equiniti Bank was selected.

## **10. HOW DO EMPLOYEES OBTAIN EARLY RELEASE OF THEIR SHARES?**

Employees should contact their employee shareholder representative and provide them with the necessary documentation. This person will approve the request if it complies with the country's chosen arrangements and send it to the bank. In France, employees can contact Société Générale directly online or by telephone with the necessary supporting documents. Internet: <https://sharinbox.societegenerale.com/fr/titulaires/> Telephone: 1 844 890 5676 (USA and Canada) +33 2 51 85 67 89 (all other countries) More information on release cases on : <https://www.esalia.com/en/savers/early-redemption/permitted-situations-for-early-release-employee-savings-plan/>

# EARLY RELEASE

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## 1. WHEN IS EARLY RELEASE ALLOWED?

Shares purchased through BIB'Action cannot be sold for 5 years, as from the date of allocation, unless early release is permitted by the regulations. To find out about early release in your country, consult the local supplement (Plan d'Epargne Groupe regulation for France) or contact the employee shareholder representative in your entity. In order to benefit, the employee will need to provide them with the appropriate supporting documents. Apart from these legal examples, no other request will be accepted. Share rights which are part of an AGA (Free Share Allocation) plan are provided on condition that they have performed after a period of 4 years.

## 2. IF AN EVENT ALLOWING EARLY RELEASE OCCURS BETWEEN THE SUBSCRIPTION PERIOD CLOSE DATE AND THE SHARE ALLOCATION DATE, CAN AN EMPLOYEE RELEASE THE SHARES RESULTING FROM THEIR SUBSCRIPTION?

Yes, but a special procedure will be set up. In fact, any event that occurs after the subscription closing date can allow the early release of the shares resulting from the BIB'Action subscription. Employees generally have a maximum of six months from the date of the reason for early release to exercise their right (no time limit if they leave the company). Requests for early release will be queued and processed from the beginning of January 2024, as stated in the letter indicating the number of shares bought through BIB'Action 2023.

# TAXATION

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## 1. ARE THE SHARES TAXED?

The majority of countries make provision for favorable legislation in this type of operation. However, any gains and dividends may be subject to tax. Employees affected should consult the local supplement attached to the subscription newsletter to find out about the legislation applicable in countries outside France. For employees in France, see the BIB'Action brochure. You will also find a tax guide in sharinbox <https://sharinbox.societegenerale.com/fr/titulaires/>