

**BIB'**  
**ACTION**

**Sept.  
14-29  
2022**



**2022 EMPLOYEE  
SHAREHOLDING PLAN  
brochure**

Let's  
**SHARE**  
**OUR**  
**future**





We wish to make employees one of the Group's main shareholders. When becoming a shareholder, the employee has a special status. At the same time, he or she contributes to and benefits from the Company's value creation.

Shareholding is a powerful marker of employees' trust in the future and in the Group's strategy. This is a concrete illustration of the I AM Michelin transformation, which aims, among other things, to develop the employees' appropriation of the Company.

Yves Chapot, Group General Manager and Chief Financial Officer





# BIB'ACTION 2022 KEY POINTS

***BIB'ACTION is the Group's employee share ownership plan that enables you to buy Michelin shares on preferential terms.***

## ACCUMULATION PERIOD

Your contributions will be deducted through payroll and paid into the Equiniti Share Plan Trustees Limited ('the Trustee') bank account during the accumulation period. The accumulation period will start on 1 November 2022 and will finish on 28 February 2023.



## A MATCHING CONTRIBUTION OF UP TO 22 SHARES

- From 1 to 15 shares purchased: 1 share for every 1 share purchased
- From 16 to 50 shares purchased: 1 share offered for every 5 shares subscribed, up to a maximum of 22 shares offered.
- Over 50 shares subscribed: maximum matching contribution of 22 shares offered



CONTRIBUTIONS WILL BE TAKEN DIRECTLY FROM YOUR PAY THROUGH THE COMPANY'S PAYROLL SYSTEM. YOU MAY CHOOSE TO MAKE CONTRIBUTIONS WITHIN THE FOLLOWING LIMITS, PROVIDED THAT YOUR OVERALL INVESTMENT OVER THE COURSE OF THE FOUR MONTH ACCUMULATION PERIOD DOES NOT EXCEED 10% OF YOUR ANNUAL GROSS PAY

**THE MINIMUM** amount that you can invest is £10 per month.

**THE MAXIMUM** amount that you can invest is £450 per month.

**THE AMOUNT** you choose to invest must be a whole number of Pounds.



Annual gross pay is defined as any amount you receive via the Company's payroll which is subject to deduction of Income Tax, National Insurance Contributions (NIC) and Health and Social Care Levy in the tax year.



## YOUR SHARES WILL BE HELD FOR A PERIOD OF 5 YEARS

from the allocation date, except where early release is possible.



## YOU WILL RECEIVE ANY DIVIDENDS

Dividends paid to you in cash will not be subject to UK tax if the total of all dividends you receive in the same tax year does not exceed your annual dividend allowance of £2,000 for Tax year 2022/23 (this is calculated based on all dividends from all companies in which you hold shares, not just dividends paid on shares in the Plan).





## UNDERSTANDING THE OFFER

### PARTNERSHIP SHARES

Within 30 days following the end of the accumulation period, the Trustee will use the accumulated monies to buy Partnership Shares for you. Partnership Shares will be shares in Compagnie Générale des Etablissements (CGEM), the Group's parent company. On the same day as the Partnership Shares are acquired, Michelin Group will award the free Matching Shares. The Trustee will hold these shares on your behalf. The number of Partnership Shares which may be acquired will depend on the amount of your monthly contributions and the price at which you will acquire the Partnership Shares, taking into account the exchange rate between the Euro and Sterling at the relevant time.

### MATCHING CONTRIBUTION

Matching contribution details:

	For the first 15 shares subscribed > 1 share subscribed, 1 offered				After the first 15 shares and up to 50 shares: > 5 shares subscribed, 1 offered								> 50 shares
Shares subscribed	1	2	3 ...	15	16 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50	51 ...
Shares offered	1	2	3 ...	15	15	16	17	18	19	20	21	22	22

### AM I ELIGIBLE TO PARTICIPATE IN THE MICHELIN GROUP SIP?

Participation in the SIP is entirely voluntary. To be eligible to participate in the Plan you must be employed by one of the participating companies listed below, be working in the UK and be subject to UK tax. In addition, only employees who have worked within the Michelin Group for a period of three months ending on 14 September 2022, will be eligible to participate.

The participating companies in the Michelin Share Incentive Plan are as follows:

- Michelin Tyre PLC
- Michelin Lifestyle Limited
- Blackcircles.com Limited
- Camso UK Limited
- J H Fenner & Co Limited
- Hallite Seals International Limited
- James Dawson & Son Limited
- Masternaut Limited



## HOW DO I JOIN THE PLAN?

To join online, go to [www.esp-portal.com/clients/michelin](http://www.esp-portal.com/clients/michelin) and follow the on-screen instructions or alternatively text 84247. Your application must be received by the Plan Administrator, Equiniti Limited ('Equiniti') no later than 11.59pm on 29 September 2022.

**APPLY ONLINE: GO TO [WWW.ESP-PORTAL.COM/CLIENTS/MICHELIN](http://WWW.ESP-PORTAL.COM/CLIENTS/MICHELIN)**

If you **ARE NOT** an existing ESP Portal user, you will need to:

On the landing page, click the link «Click here» to log on to your Employee Share Plan (ESP) Portal  
Click register now  
Enter payroll number  
Enter date of birth  
Enter surname  
Click next and follow the on-screen instructions

Once you have completed the registration you will be sent an activation code in the post if you registered with your home email address or via email if you registered with your business email address, you **DO NOT** need your activation code to apply. When you reach the 'You have now successfully registered for an Employee Portal Account' page, you can go to the 'I want to ...' section and click on 'Apply for SIP'.

**APPLY BY TEXT MESSAGE: TO 84247**

- TEXT: 84247
- MICHBIB (space)
- Your unique 8 digit EQ Participant Reference Number as detailed on your Invitation Letter
- Your date of birth in the following format DDMMYYYY (space)
- The amount you want to save **PER MONTH**.
- On completion, you will receive a text message confirming your successful subscription.

**EXAMPLE:** your unique 8 digit EQ Participant Reference Number 12345678, you were born on 01 January 1968 and you wish to save £450 per month: **MICHBIB 12345678 01011968 450**

Partnership Shares are administered in accordance with the SIP Rules and the SIP Terms and Conditions on which Equiniti intend to rely. For your own benefit you should read these Terms and Conditions carefully before you begin your application. If you do not understand any point please refer to either your Plan Booklet or, alternatively, please contact the Equiniti Helpline. Your application must be received by the Plan Administrator, Equiniti Limited ('Equiniti') no later than 11.59pm on 29 September 2022.

## HOW DO I KNOW THAT EQUINITI HAS RECEIVED MY APPLICATION?

If you apply online, a confirmation page will confirm your instruction has been processed. You should keep a copy of this confirmation for your records. If you apply by text you will receive a text confirming the details. Please review and save this text until you receive your welcome letter in the post.





## **TAXATION – A BRIEF GUIDE**

**THE FOLLOWING NOTES ARE FOR GUIDANCE ONLY, AND APPLY TO EMPLOYEES WHO ARE RESIDENT FOR TAX PURPOSES IN THE UNITED KINGDOM. PERSONAL CIRCUMSTANCES MAY AFFECT YOUR TAX POSITION AND IF YOU ARE IN ANY DOUBT YOU SHOULD CONSULT AN INDEPENDENT FINANCIAL ADVISER. YOU ARE ADVISED TO READ ALL SECTIONS.**

### **ACQUISITION OF PARTNERSHIP AND AWARD OF (FREE) MATCHING SHARES**

When you acquire your Partnership Shares and when your free Matching Shares are awarded, you will not be subject to any Income Tax or NIC/Levy on the amount of your contributions deducted from your gross pay to buy Partnership Shares or the value of the Matching Shares awarded.

### **SALE OR WITHDRAWAL OF YOUR PARTNERSHIP OR MATCHING SHARES LESS THAN THREE YEARS AFTER THEY WERE AWARDED**

If within three years of the award of your shares:

- you ask the Trustee to sell or to withdraw your Partnership Shares; or
- your Partnership and Matching Shares are withdrawn from the Trust or sold because you cease to be employed by a company within the Michelin Group, other than as a result of one of the special early leaver circumstances listed overleaf, you will be liable to Income Tax and NIC/Levy on an amount equal to the market value of your shares on the date they cease to be subject to the Plan.

### **SALE OR WITHDRAWAL OF YOUR PARTNERSHIP OR MATCHING SHARES, MORE THAN THREE, BUT... LESS THAN FIVE YEARS AFTER THEY WERE AWARDED**

If you have held your Partnership and Matching Shares for more than three but less than five years and:

- you ask the Trustee to sell or withdraw your Partnership Shares; or
- your Partnership and Matching Shares are withdrawn from the Trust or sold because you cease to be employed by a company within the Michelin Group, other than as a result of one of the special early leaver circumstances listed overleaf, you will be liable to Income Tax and NIC/Levy on the LOWER of the market value of the shares on the date they were awarded and the market value of the shares on the date they ceased to be subject to the Plan.

For example, if your shares were originally awarded at a market value of £53 per share and withdrawn four years later at a market value of £57 per share, you will be liable to Income Tax and NIC only on £53 per share.



## **TAXATION – A BRIEF GUIDE CONTINUED**

### ***SALE OR WITHDRAWAL OF YOUR PARTNERSHIP OR MATCHING SHARES FIVE YEARS OR MORE AFTER THEY WERE AWARDED***

You will not be liable for any Income Tax or NIC/Levy in respect of the withdrawal or sale of your Partnership or Matching Shares if they have been held in the Trust for more than five years following the date they were awarded.

### ***SPECIAL EARLY LEAVER CIRCUMSTANCES***

In certain circumstances (referred to below) there will be no charge to Income Tax or NIC/Levy where you cease to be employed by a company within the Michelin Group. These circumstances are cessation of employment as a result of:

- injury or disability
- redundancy
- retirement
- transfer of your employment to a company not within the Michelin Group
- sale of the business or company for which you work out of the Michelin Group
- death

The withdrawal of your shares from the Trust or their sale in the circumstances listed above will not give rise to a charge to Income Tax or NIC/Levy.

### ***COLLECTION OF INCOME TAX AND NIC/LEVY***

If required, your employer will deduct any Income Tax due in respect of your Partnership or Matching Shares under the PAYE system, together with any NIC/Levy. This will happen as soon as practicable after your shares cease to be subject to the Plan.

You will be required to meet this liability either by providing a cheque, or by directing the Trustee to sell a sufficient quantity of shares. Any remaining proceeds from the sale of your shares would then be given to you. If you choose to sell all of your available shares, your Income Tax and NIC/Levy liability will be calculated and deducted by payroll prior to the sale proceeds being issued to you.

### ***CAPITAL GAINS TAX (“CGT”)***

The Trust acts as a shelter from CGT. If shares are held in Trust at the time you decide to sell them, there will be no CGT to pay on them. If you have left employment, the CGT calculation should be based on the value of shares when they cease to be subject to the Plan. Where you sell shares, having previously removed them from the Trust, you may be liable to pay CGT based on the difference between the sale proceeds and the market value of the shares when they were removed from the Trust. You should bear in mind that you may benefit from your personal annual CGT allowance. It is your responsibility to declare any capital gain to HM Revenue & Customs via a self-assessment tax return.

You can find more details on CGT on the HMRC website [www.hmrc.gov.uk/cgt/](http://www.hmrc.gov.uk/cgt/).



## TAXATION – A BRIEF GUIDE CONTINUED

### TAXATION EVENT(S)

	Award or acquisition of shares	Removal of shares from the Plan			Cessation of employment in special circumstances at any time	Sale of shares by employee
		Less than 3 years after award or acquisition	3 years or more but less than 5 years after award or acquisition	5 years or more after award or acquisition		
PARTNERSHIP SHARES	No tax or NIC/Levy Income used to purchase shares not subject to tax or NIC/Levy	Tax and NIC/Levy due on the market value of the shares when they cease to be subject to the Plan	Tax and NIC/Levy on the lesser of the amount of pre-tax pay used to acquire the shares and the market value of the shares when they cease to be subject to the Plan	No tax or NIC/Levy	No tax or NIC/Levy	CGT may be due on the sale price less the market value of the shares when they ceased to be subject to the Plan. No CGT if sold directly from the Plan
MATCHING SHARES	No tax or NIC/Levy	Tax and NIC/Levy on the market value of the shares when they cease to be subject to the Plan (can only be withdrawn on ceasing employment)	Tax and NIC/Levy on the lesser of the market value of the shares on the date they were awarded and the date they cease to be subject to the Plan (can only be withdrawn on ceasing employment)	No tax or NIC/Levy	No tax or NIC/Levy	CGT may be due on the sale price less the market value of the shares when they ceased to be subject to the Plan. No CGT if sold directly from the Plan





## DIVIDENDS

### **UK TAX ON DIVIDENDS PAID TO YOU IN CASH**

Dividends paid to you in cash will not be subject to UK tax if the total of all dividends you receive in the same tax year does not exceed your annual dividend allowance of £2,000 for Tax year 2022/23 (this is calculated based on all dividends from all companies in which you hold shares, not just dividends paid on shares in the Plan). Otherwise, you have to pay Income Tax on the dividends that you receive in excess of this annual allowance. In this case, you will have to report this to HMRC and make arrangements to pay the Income Tax to HMRC yourself. Please refer to this website for details of how to report and pay Income Tax that is due on dividends: <https://www.gov.uk/tax-on-dividends/how-dividends-are-taxed>

### **FRENCH WITHHOLDING TAX**

Separately, dividends will be subject to a "withholding tax" in France at 25% (this is deducted before the dividend is paid to you, and you do not need to take any action to pay this tax). You will receive a credit for French tax withheld on dividends against UK tax on dividends.

## AFTER SUBSCRIPTION

### **WHAT HAPPENS IF THE SHARES ARE OVERSUBSCRIBED?**

A total of **7 million** shares are being offered to eligible employees under the BIB'Action 2022 plan. Should the number of subscriptions exceed the number of shares offered, the shares allocated will be reduced as follows:

- From 1 to 39 shares subscribed: requests will be satisfied in full
- Beyond 39 shares subscribed: the shares shall be assigned equally by a tranche of one share, within the limit of the 7 million shares.

With this agreement you should have been given information on the effect of deductions from your pay to buy Partnership Shares on entitlement to social security benefits, statutory sick pay and statutory maternity pay. The effect is particularly significant if your earnings are brought below the lower earnings limit for National Insurance purposes and is explained in the information booklet: "Share Incentive Plans and your entitlement to benefits", it is therefore important that you read it. If you have not been given a copy, ask your employer for it. Otherwise a copy may be obtained from any office of HM Revenue & Customs, the Department for Work and Pensions, or, in Northern Ireland, the Department for Communities. You should take the information you have been given into account in deciding whether to buy Partnership Shares. Alternatively, you can download leaflet IR177 from the HMRC website.



## FAQS

### ***CAN I STOP OR ALTER MY MONTHLY CONTRIBUTIONS?***

You may stop making your monthly contributions at any time during the accumulation period. However, if you decide to stop making contributions, please be aware that you can only restart deductions once in the accumulation period. However, as the accumulation period is only four months long, it is unlikely that, due to the time needed to administer stop and restart requests, employees who stop making contributions will be able to restart. You will need to notify the Company's payroll department of your decision to stop contributions. It will not be possible to alter the amount of your contributions once the accumulation period has started. If you miss any contributions during the accumulation period, either due to stopping or because you do not have sufficient pay in any particular month to meet the required payment, you cannot subsequently make those contributions up.

### ***HOW MUCH WILL I PAY FOR MY PARTNERSHIP SHARES?***

The price at which you will acquire your Partnership Shares will be the lower of the market price at the start of the four month accumulation period and the market price on the day the shares are purchased.

### ***WHAT HAPPENS TO ANY CASH LEFT IN THE TRUST FUND?***

As only whole shares may be acquired with your contributions, it is possible that there may be a small cash amount left over after the Trustee has bought your Partnership Shares (less than the value of one share). Any cash balance remaining from your contributions will be returned to you via payroll, less any Income Tax and NIC/ Levy due on this amount.

### ***SHAREHOLDER RIGHTS***

Although your shares will be held in a Trust, the Trustee will act on your behalf and in accordance with your instructions. You will therefore have similar rights to any other shareholder, including the right to receive the information which is distributed to shareholders (such as the annual report and accounts) and the right to instruct the Trustee on how to vote on your behalf at shareholders' meetings. You will also be entitled to receive any dividends declared by Michelin Group on your Partnership and Matching Shares. You may be offered the option of reinvesting dividends in new shares, or receiving cash. Important information regarding restrictions: Your ability to deal in the shares you acquire under the Plan is subject to all applicable policies of the Michelin group, including in particular the Corporate dealing code, details of which can be accessed via the internal intranet <http://intraeu.michelin.com/uk>

### ***DEALING IN YOUR SHARES, AND LEAVING EMPLOYMENT***

If you withdraw or sell your Partnership Shares within five years you may lose some or all of the Income Tax and NIC benefits. Your Matching Shares are subject to a Holding Period of five years, which means that you are only able to sell your Matching Shares once they have been held by the Trustee for at least five years. If you cease employment, however, it is a requirement that your Partnership Shares and your Matching Shares must be taken out of the Plan.

Michelin Tyre PLC will pay all costs associated with the management of the Plan. You will be responsible for the stockbroker's charges associated with the sale or transfer of your shares, which will be automatically deducted from your sale proceeds.



## WHAT HAPPENS...



**Your investment in shares will follow changes in the Michelin share price, both up and down.**

This means that it is exposed to the risk of capital loss.



**The investment has no capital guarantee.**

Given this risk, we recommend that you assess whether you need to diversify your savings.



**The tax regulations in your country will have an impact on you**

at the time of subscription, during the investment and at exit.



**... During the 5-year holding period?**

As with any investment under the Group Savings Plan, the regulations provide for the possibility of early release. Please refer to the local supplement available at [www.bibaction.com](http://www.bibaction.com) (site live from August 22, 2022).



**... At the end of the 5-year holding period?**

Your shares become available. You then have the choice of:

- keeping your shares in your securities account for as long as you wish
- requesting the sale of your shares in whole or in part.

## MORE INFORMATION



The detailed BIB'Action plan and the list of local BIB'Action coordinators can be found at [www.bibaction.com](http://www.bibaction.com) (site live from August 22, 2022).

Michelin Group, its share price and Universal Registration Document at [www.michelin.com](http://www.michelin.com).





## GLOSSARY

### Matching contribution

Financial contribution in the form of shares paid by your employer to supplement your investment.

### Share

A unit of ownership in the company, representing a fraction of the company's share capital. All the shares issued by a company make up its capital.

### Dividend

The portion of a company's net profit distributed to shareholders by decision of the General Shareholders' Meeting.

### Capital gain/capital loss

The gain or loss resulting from the sale of a security. The difference between the sale price and the purchase price of this security creates a capital gain or loss depending on whether the sale price is higher or lower than the purchase price.

### Holding Period

A five-year period during which the Matching Shares awarded to the employee may not be released, except for the special leaver circumstances.

The matching contribution and discount offered by the Group will help to **limit the impact** of share price and/or exchange rate fluctuations.

As with any company shares, **past performance is no guarantee of future performance**

# BIB' ACTION 2022

Michelin periodically publishes information on [www.michelin.com](http://www.michelin.com) and in its Universal Registration Document, which can be downloaded from the same site.

Subscribers are encouraged to consult these documents, which contain important information about, for example, the company's business, its strategy and objectives, the risk factors inherent in the company and its business, and its financial results.

Compagnie Générale des Établissements Michelin, as data controller, processes personal data in order to manage the international employee share ownership plan.

To find out more about the management of your personal data and to exercise your rights, please refer to the BIB'Action subscription form available at [www.bibaction.com](http://www.bibaction.com).

When contacting Equiniti, you can telephone our Employee Helpline on: +44(0) 371 384 2611. Lines are open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales). For RelayUK users with a textphone you can either download the RelayUK app or use the Relay UK website, <https://www.relayuk.bt.com>. You can also contact us by using our email service [myshareplan@equiniti.com](mailto:myshareplan@equiniti.com).

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