

## WRITTEN QUESTIONS

### RENAULT SA

#### Combined Ordinary and Extraordinary General Meeting of 30 April 2015

**At the Combined Ordinary and Extraordinary General Meeting of 30 April 2015, the shareholders had the opportunity to put their questions to the General Management. In order to encourage dialogue with the shareholders present on the day, it was not possible to answer to written questions received prior to the General Meeting.**

**In accordance with article L. 225-108 of the French Commercial Code, the answers to such questions are provided in the present document. These answers were discussed during the Board of Directors meeting of 30 April 2015.**

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**Question 1** (C. P., an individual shareholder):

*“For what reason(s) were the powers granted to the RNBV changed from one registration document to another?”*

**Answer:**

RNBV was set up in 2002. The powers granted to RNBV were not changed since that date. The presentation which on it in the registration document may change from one year to another, following comments from shareholders or the AMF, so that the information is more understandable. So there is no substantial change only a change in the presentation.

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**Question 2** (C. P., an individual shareholder):

*“RNBV is a subsidiary owned 50/50 by Renault and Nissan, which RENAULT body supervises this subsidiary?”*

**Answer:**

RNBV is responsible for the strategic management of the Alliance. It is not supervised by any Renault body but it includes Renault executives. It is comprised of the Alliance Board managed by Mr Carlos Ghosn and four members of the Nissan Executive Committee. The members of the Renault Executive Committee who are members of the Board of Directors ensure that the decisions taken by RNBV are consistent.

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**Question 3** (C. P., an individual shareholder):

*“What does the following sentence mean: "the merger of the four key departments is also an incentive to bring the managements of the two companies closer together" extract from the 2014 registration document, Page 46, paragraph 1.2.4 ?”*

**Answer:**

The four key departments are managed by Renault or Nissan senior executives. Basically, this leads to more discussions at the highest level of the two companies. The purpose of these merged departments is to ensure that structuring decisions for the future are indeed in line with optimising synergies. Therefore, this contributes to creating synergy between the two partners' interests, to strengthen each of them and, in this way, to strengthen their links.

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**Question 4** (C. P., an individual shareholder):

*“Why was an Alliance Management Committee set up and in which one is Renault in the minority?”*

**Answer:**

As stated in the 2014 Registration Document, on 1 April 2014, Renault and Nissan started a new major stage in the development of their 15-year partnership, by merging four key departments:

- Engineering;
- Manufacturing and Logistics;
- Purchasing;
- Human Resources.

The purpose in setting up the Alliance Management Committee, presided over by Mr Ghosn together with the Deputy Directors for Competitiveness in Renault (T. Bolloré) and Nissan (H. Saikawa), was to ensure that these four departments would be merged as quickly and efficiently as possible so as to maximise synergies.

Renault's apparent minority within the Alliance Management Committee is economic and therefore occasional and evolving, and not structural, as senior executive from each of the two companies alternate with each other since the Alliance started. As an example, on 1 April 2014, two of the four directors of the merged departments were from Renault and two from Nissan. To hold the position of Alliance Purchasing Director, Mr Vandenhende (from

Renault) was naturally selected as he had already been CEO for five years of the Alliance joint purchasing subsidiary: Renault-Nissan Purchasing Organization (RNPO) On 1 January 2015, Mr Vandenhende took over the management of the Renault Quality and Customer Satisfaction Department. His deputy at the head of RNPO, Mr Yamauchi, from Nissan, succeeded him. Ms Sarlat-Depotte, from RENAULT and with the advantage of long experience within RNPO, became Mr Yamauchi's deputy.

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**Question 5** (*C. P., an individual shareholder*):

“How is this Management Committee organised with the Alliance Board?”

**Answer:**

As stated in the answer to the previous question, the subjects concerning the so-called "merged" departments are discussed as a priority by the Alliance Management Committee, responsible for monitoring them. However, any decision concerning the merged departments falling within the authority of the Alliance Board (see paragraph 1.2.3.4. of the 2014 Registration Document) is submitted to the latter.

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**Question 6** (*C. P., an individual shareholder*):

*“The Renault-Nissan Alliance was devised to be a dual-nationality group built on the basis of two separate companies (the French manufacturer Renault and the Japanese manufacturer Nissan), each keeping control of its operating management, but was it not transformed into a Franco-Japanese multinational built on the pooling of the assets of both companies, whose management was transferred to a subsidiary RNBV?”*

**Answer:**

The Renault-Nissan Alliance is based on trust, respect and transparency among all partners. It endeavours to develop "win-win" solutions to the benefit of its partners and its customers. It

seeks to maximise economies of scale based on the advantage of strong brands and separate company cultures. The Alliance determines its strategic orientations, but it does not take each company's day-to-day decisions.

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**Question 7** (C. P., an individual shareholder):

*“How does the board of directors explain this strategy, which results in almost twice as many Nissan than Renault vehicles being registered, which depreciates the French manufacturer? The stock market value of the Renault group declined by 1.7 billion euros over the period from 31 December 2005 to 31 December 2014. Over the same period, the performance of other manufacturers was markedly better (except Nissan which lost 5.7 billion euros).”*

**Answer:**

The Renault Group is not established on the Chinese and North-American markets.

In view of the geographic distribution of the growing automobile market in recent years, Renault was not in a favourable position. Corrected on the two markets referred to, demand for cars declined during this period, particularly as a result of the drop in the European market on which Renault was particularly exposed.

This situation is of course regrettable, but it should be noted that Nissan was already well-established in North America prior to its collaboration with Renault and its geographic closeness to China obviously making it advantageous to set up there.

Nissan's success in this latter country is a positive point and a key element in Renault's establishment.

Furthermore, before the boom of the Chinese market, Renault already was established in South America and in Russia. It would not have been reasonable, due to the company's resources, to venture into new territories before having firmly established its bases in these regions.

To conclude, it should be remembered that Renault is setting up a manufacturing facility in China with a plant which will start production at the end of the year and which will take full benefit of what Nissan has acquired in this country.

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**Question 8** (C. P., an individual shareholder):

*“How does the Compensation Committee express the drop in the group's market value when examining the CEO's compensation?”*

**Answer:**

The Group's market value depends on the market price and has therefore substantially increased since the end of 2014. Today it is higher than it was in 2005.

A significant part of the CEO's compensation, the compensation in stock options or shares, is directly linked to how the share evolves. On this basis, there was no compensation in the 2005, 2006 and 2007 plans as the subscription price was higher than the price during the duration of the plans. Accordingly, there is a mechanical link between the stock market value of the group and the compensation of the Chairman and Chief Executive Officer.

	Plan 2005 (No. 11)	Plan 2006 (No. 12)	Plan 2007 (No. 14)
Date of the plan	13/09/2005	04/05/2006	05/12/2006
Subscription Price	€72.98	€87.98	€93.86

Furthermore, the fixed compensation of the Chairman and CEO remained stable at €1,200,000 from 2005 to 2010, then at €1,230,000 since 2011. Accordingly, this corresponds to an increase of 2.5% over 9 years while, over the same period, total inflation was 13.7%. The long-term compensation for the years 2008, 2009 and 2010 did not give rise to any payment.

Finally, since 2013, 75% of the variable compensation was converted into shares. 75% of the variable compensation is directly linked to the evolution in the stock market price.

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**Question 9** (C. P., an individual shareholder):

*“Were the powers granted to RNBV in 2002 for a period of 10 years extended and by what provision?”*

**Answer:**

The remits of RNBV were extended for a further 10 years in 2012. This extension was discussed at the General Meeting on 30 April 2013.

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**Question 10** (C. P., an individual shareholder):

*“In the 2014 Registration Document, page 45, paragraph 1.2.3.3 it is stated that Renault-Nissan B.V. decided on the medium and long-term strategy for the Alliance. Was this provision the subject of a decision by the Annual General Meeting, and which one?”*

**Answer:**

The agreements between Renault and Nissan provided for the creation of RNBV, its corporate object and its governance were submitted to the Renault shareholders at the General Meetings of 28 March and 26 April 2002 who approved the changes to the articles of association and the capital when the Alliance was constituted.

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**Question 11** (C. P., an individual shareholder):

*“As since 2012 there is no longer any reason for the powers granted to RNBV in 2002, for what reasons is this subsidiary still part of one if not two of the Alliance decision-making bodies?”*

**Answer:**

RNBV has been carrying out the same function since 2002 and still is today. The continuance of the Alliance development and the strengthening of the synergies make it necessary to maintain it.

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**Question 12** (C. P., an individual shareholder):

*“The registration document produced at the time of the shareholders' general meeting on 30 April 2015, recommended a certain number of changes affecting "the modification of the Renault articles of association concerning the Renault sas. shareholding, the composition and functioning of the Board of Directors and the powers granted to Renault-Nissan bv" and therefore a report should be issued according to the resolution adopted by the extraordinary general meeting held on 28 March 2002. What has happened to this report?”*

**Answer:**

Every year, the Registration Document records the Renault Group's activity during the year gone past. Every year, this document includes a section devoted to the Renault-Nissan Alliance and reports on any developments in the Alliance and RNBV in particular. This document is made available to the shareholders when preparing for the Annual General Meeting. Furthermore, each year the Alliance and its developments are presented to the shareholders as part of the presentation of the Group's strategy.

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**Question 13** (C. P., an individual shareholder):

*“Is there no need to subject the merger of the four departments and the merger of the management of the two companies to a related-party agreement?”*



**Answer:**

The merger of the four departments did not result in the establishment of a single entity or a new form of partnership. Its only impact was the establishment of a joint management and an alignment of the scope of responsibility. The related-party agreements procedure was not warranted in this case.

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**Question 14** (C. P., an individual shareholder):

*“Are the merger of the combined managements and the incentive to bring the managements of the two companies closer together as recommended in the registration document compatible with the terms of the proposal approved by shareholders on 28 March 2002?”*

**Answer:**

Every year, Renault's strategy is set out both in the registration document and during the Annual General Meeting. In 2014, shareholders expressed their confidence in the Group's strategy by renewing Carlos Ghosn's term of office.

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**Question 15** (C. P., an individual shareholder):

*“The proposed reinforcement of the Renault-Nissan Alliance following the agreement between the two automakers “preserves Renault's autonomy [...]”. Is this provision still relevant with the creation of a “Research and Advanced Engineering (R&AE) division of the Alliance”, a subsidiary (joint function) housing the engineering of both companies? If so, how?”*

**Answer:**

The 2014 registration document states the following: *“Following the convergence of the engineering functions of Renault and Nissan in April 2014, a Research and Advanced Engineering (R&AE) division of the Alliance was created. The purpose of this division is to*

*pool the efforts of Renault and Nissan teams so as to improve the overall efficiency and technological capabilities, in order to offer innovative solutions and position the Alliance among the top three automotive groups in terms of key technologies.”*

The autonomy of each of the two companies is always respected. The establishment of the joint engineering function was not accompanied by the creation of a joint subsidiary to house it, simply by joint management and an alignment of the scope of responsibility. The objective of the joint function is to develop all that is invisible to the client (of Renault or Nissan), leaving the individual engineering teams of Renault and Nissan the task of developing what the customer sees and what is linked to the image of each company (exterior and interior design, etc.).

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**Question 16** *(question of IPAC, an association created in 2000, consisting of individual and institutional shareholders, which aims to promote social and environmental responsibility):*

*“For the last year in the US, companies that manufacture products that include certain minerals (tin, coltan, tungsten, gold) from countries located in the Great Lakes region of Africa have been required to make a precise statement on the origin of these minerals. Trade in these minerals can fuel local conflicts and wreak terrible havoc among local populations.*

*Although our Group is not affected by this regulation, have we adopted measures to trace the origin of minerals used in the manufacture of our vehicles, including in parts built into our vehicles?”*

**Answer:**

Indeed, Renault is not affected by the application of the Dodd Frank Act on metals from conflict areas (specifically the Great Lakes region of Africa, with action limited to four metals, namely tin, tungsten, tantalum and gold), since it does not market any products in the US. However, Nissan is affected, which gives Renault access to all the information needed to answer questions on parts and shared components.

In 2014, the European Commission tabled a draft regulation that is fairly similar, but which would apply to the upstream sector (importers of relevant metals and smelters in Europe).

The metals covered by the draft regulation are potentially the same, but the conflict areas are yet to be determined. Once the proposal has become an effective regulation, Renault will adopt measures in response, building on the experience gained by Nissan in the US.

Furthermore, in a proactive approach in early 2015, the French automotive industry has established a working group bringing together manufacturers and equipment makers, which addresses among other issues the subject of the traceability of metals from conflict areas.

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**Question 17** (*X. R., individual shareholder*):

*“To the question put to the 2014 Annual General Meeting as to whether Renault could undertake to call on and encourage its partner Nissan to promote good industrial relations practices throughout its sites, and in particular the respect for freedom of association, Renault’s management responded that “the strength and success of the Alliance lies in the fact that the two companies have been able to preserve their identity and corporate culture since the beginning.”*

*This response does not take into account advances in responsible conduct in recent years, notably the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, to which Renault refers in its Global Framework Agreement. In this context, one might expect that Renault should encourage its partner to adopt these principles, and where applicable, the freedom of association, a fundamental norm of the ILO that is not respected at the Nissan site in Canton, Mississippi, a southern state of the United States. Nissan can meet international standards and still be in full compliance with US law. In this respect, measures taken by Volkswagen in the United States can serve as examples.*

*Can Renault undertake to call on and encourage its partner Nissan to foster good industrial relations practices, in particular respect for freedom of association and the maintenance of strict neutrality in the case of union membership drives, as stipulated in the Global Framework Agreement?”*

**Answer:**

The Global Framework Agreement signed in 2013 is rooted in Renault's history and culture.

The success of the strongest and longest-lasting Alliance in our industry is based on respect for the identity and culture of each company.

Industrial relations are closely linked to corporate culture, and as such are the specific responsibility of each member.

It is therefore important to continue to respect the Renault culture and the Nissan culture alike, while complying with the legal requirements of each of the countries where the two companies of the Alliance operate.