

DRAFT ANSWERS TO SHAREHOLDERS' QUESTIONS

This document regroups the main answers to the written questions asked by shareholders to be put to the Annual General Meeting.

I. Questions 1 to 25 were asked by Mr Claude Patfoort, an individual shareholder.

Question 1: POWERS OF RNBV

"On two occasions as a written and oral question during the 2015 General Meeting of Shareholders, I asked if the powers of the RNBV subsidiary voted in 2002 for a period of ten years had been renewed after the expiry of the ten years. In both cases, the answer was yes. However, the Statutory Auditors' special report provides no information on this extension.

- Under what conditions was this extension voted?
- Where can this information be found?

Answer:

On 28 March 2002, Renault SA and Nissan Motor Co. Ltd ("Nissan") signed the "Restated Alliance Master Agreement", which governs the capital relationship between Renault and Nissan and the Alliance's current method of governance. This agreement specifies the operational terms and conditions of Renault-Nissan B.V. ("RNBV") as the Alliance's strategic management entity. A first amendment to the "Restated Alliance Master Agreement" was signed on 29 April 2005 and submitted for approval to the Annual General Meeting of 4 May 2006.

At its 3 October 2012 meeting, the Board of Directors authorised the signature on 7 November 2012 of a second amendment to the "Restated Alliance Master Agreement". This amendment was submitted for approval to the Annual General Meeting of 30 April 2013.

This information is indicated in the Statutory Auditors' report, available each year in the Registration Document and the Notice of General Meeting brochure for shareholders.

Question 2: RENAULT'S OPERATIONAL AUTONOMY

"The operational autonomy of Renault s.a.s. is indicated in the 2002 General Meeting document on the 2001 accounts (approved by the Board of Directors on 26 February 2002). We can read:

- *RENAULT s.a.s. will not delegate its operational management to Renault-Nissan bv...*
- *For each company (Renault and Nissan), operational management will remain entrusted to each Management, accountable to their Board of Directors.*
- *Renault, on the one hand, and Nissan, on the other hand, will each continue their activities as two separate companies, each with their own registered office, their management, their employee representative bodies and their stock market quotation.*

However, whilst effectively the employee representative bodies and stock market quotations are separate for each company, we cannot write: that "*Renault continues its activities separately from those of Nissan*".

When the Renault and Nissan Boards of Directors approved the creation of four common departments (including engineering) within the Alliance, "*Renault and Nissan took a new step in the evolution of the Alliance in 2014 when they decided to implement the convergence of four key functions in order to further accelerate synergies. The convergence of these functions is also an incentive to bring the management of the two companies closer together*" (2014 Registration Document, page 46) the autonomy of both groups is more than questionable.

Similarly, whilst its application is questionable, the so-called Stabilisation Agreement signed on 12 December has a direct influence on Renault's shareholders as it prevents the group from interfering in its subsidiary, Nissan.

- Why have the texts voted by shareholders not been respected?
- Why has Renault's operational autonomy been transferred to the Alliance?

Answer:

The Alliance is designed as a partnership between equals, that aims to improve performance and contribute to the development of its members, Renault and Nissan. On a limited scale to start with, it has progressively become stronger, with success.

For a limited list of subjects, Renault and Nissan granted delegations to RNBV from 2002.

This mode of concerted decision-making was authorised by Renault's shareholders. It is described in detail in the Registration Document (Chapter 1). In the best interests of Renault and Nissan shareholders, it contributes to strengthening synergies between the two carmakers, without leading to the transfer of operational autonomy in the Alliance's interest. Lastly, the agreements signed between Renault and Nissan are subject to the regulated agreements procedure. Their signature is authorised by the Board of Directors, they are subject to a special report by the Statutory Auditors, and then are submitted for approval by the Annual General Meeting. This procedure guarantees that shareholders' rights are respected.

Question 3: STABILISATION AGREEMENT

"The Statutory Auditors' special report highlights the following phrase:

"Renault's commitment ...not to submit to Nissan's Annual General Meeting and (see page 349)... failing this, Nissan will have the option of acquiring Renault shares without prior agreement"

- For the benefit of which Nissan shareholder(s) would this possible acquisition be made?"

Answer:

In the scenario where Renault no longer respects its 17-year practice of non-interference in Nissan's management, it is Nissan and not the shareholders that would have the option of acquiring Renault shares.

Questions 4 to 7:

- "Which Renault shareholders would be expected to sell shares?"
- "What are the effective conditions of this clause: number of shares that Nissan can acquire, their unitary value?"
- "Who is supposed to give the acquisition order?"
- "Communication of the definitive agreement and its appendices to shareholders."

Answer:

The third amendment to the "Restated Alliance Master Agreement" allows Nissan to acquire Renault shares, in the event that Renault no longer respects its 17-year practice of non-interference in Nissan's management.

Nissan would have this option for a period of nine months following Renault's decision to actively intervene in Nissan's management. Nissan would then be free to acquire Renault shares, subject to compliance with the applicable stock market regulations.

We draw your attention to the fact that the agreements themselves are confidential between the parties. However, their main conditions and implementation modalities are presented in the company's Registration Document (Chapter 5) and in the Statutory Auditor's special report reproduced in the Registration Document (Chapter 4).

Question 8:

- "Does this agreement apply to the Renault-Nissan BV subsidiary that manages the Alliance, in which both companies are at 50/50?"

Answer:

The agreement between Renault and the French State deals with the framework for the exercise of the French State's voting rights in Renault's Annual General Meetings. The agreement between Renault and Nissan essentially deals with Renault's rights as a Nissan shareholder.

None of them deal with the Renault-Nissan BV (RNBV) subsidiary, which remains outside of these agreements.

Question 9:

- "Does this agreement apply to the Group Renault itself, as Nissan holds 15% of the French group's share capital?"

Answer:

See the answer to question 8 above.

Question 10:

- "In the event of disagreement between the parties, which jurisdiction is competent: France or Japan?"

Answer:

In the event of disagreement between the parties, French jurisdiction is competent.

Question 11:

- "Has the French Stock Market Commission provided an opinion on this agreement?"

Answer:

The French Financial Markets Authority (AMF), which is the successor to the French Stock Market Commission since its merger with the Financial Markets Council (Law of 1 August 2003 on Financial Security) has been fully informed of the agreements between Renault and the French State on the one hand, and between Renault and Nissan on the other.

Question 12:

- "What are the advantages of such an agreement for Renault?"

Answer:

The Alliance is strengthened by the signature of the stabilisation agreement. This agreement is the result of long discussions between Renault and its two main shareholders, to perpetuate the Alliance and ensure its development. These discussions confirmed that all the stakeholders wished to stabilise and strengthen the Alliance, in Renault's corporate interest.

The Alliance's stabilisation agreement comprises two contracts.

The first, signed between Renault and Nissan, takes the form of an amendment to the "Restated Alliance Master Agreement", one of the Alliance's founding agreements. It enshrines the practice of non-interference by Renault in Nissan's governance. This practice, in force since the constitution of the Alliance, is one of the key elements in the Alliance's success, based on trust and mutual respect between the two groups.

The second, signed between the French State and Renault, and entitled Governance Agreement, stipulates the cap on the French State's voting rights for certain decisions, in order to re-establish a balance within participations of the two main shareholders of Renault (Nissan does not have voting rights due to Renault's investment in its share capital), and, on this occasion, to ensure the permanence and development of the Renault-Nissan Alliance.

It can be seen, therefore, that the discussions during 2015 confirmed certain essential principles for the good functioning of the partnership between Renault and Nissan, which is a key vector for Renault's development.

Question 13:

- "This agreement deprives RENAULT of a fundamental right, that of all shareholders to assert and defend their rights: for what reasons did the different members of Renault's Board of Directors vote this agreement?"

Answer:

Renault has not been deprived of any fundamental rights by signing the third amendment to the "Restated Alliance Master Agreement".

The signature of the third amendment does not, under any circumstances, prevent Renault from asserting or defending its rights. Renault has simply formalised its voting practices in force since the start of the Alliance, which consist of no active intervention in Nissan's governance.

The Board of Directors, on the recommendation of a committee of independent directors, unanimously approved by its disinterested members the signature of a third amendment in compliance with Renault's corporate interest.

Question 14:

- "Is this agreement reciprocal? For which clauses? If this agreement is not reciprocal, for what reasons?"

Answer:

The agreements between, on the one hand, Renault and Nissan and, on the other, Renault and the French State, create obligations for each of the parties.

Question 15:

- "This agreement is signed between the French State and NISSAN. The Renault group holds 43.4% of NISSAN. What mandate has RENAULT'S Board of Directors given to its representatives as part of the adoption of this agreement by NISSAN?"

Answer:

No agreement has been signed between the French State and Nissan.
The agreement between Renault and Nissan is the third amendment to the RAMA.

The French State is not a signatory to this agreement and did not negotiate the terms with Renault and Nissan.

In addition, the governance agreement was signed by the French State and Renault, without Nissan's intervention.

The applicable legislative and regulatory provisions have been fully respected, and best practices in terms of company governance implemented, to ensure that the third amendment and the governance agreement are approved by Renault's corporate bodies.

Question 16:

- "Mr Carlos Ghosn is Chairman and CEO of the two carmakers, Nissan and RENAULT. As part of this agreement, what guarantee(s) does RENAULT's Board of Directors have that Renault's interests are preserved?"

Answer:

As Chief Executive Officer of the two companies, Mr Ghosn did not take part in the Board's vote on the Alliance Stabilisation Agreement.

The Agreement was unanimously authorised by members of the Renault Board of Directors that took part in the vote, in particular, by the ten independent directors appointed by the Annual General Meeting.

Questions 17 and 18:

- "Management of Renault shares (ruling of 16 April 1942, amended on 1 February 2016): for what reason(s) are Renault shares held by the French State no longer entrusted for management to the Caisse de dépôt since 1 February 2016?"
- "To whom is entrusted the management of Renault shares held by the French State?"

Answer:

The French State previously held Renault shares as administered registered shares whose management was entrusted to the Caisse des dépôts et consignations.

By a ruling of 1 February 2016, the French State converted them into pure registered shares. They are, therefore, directly entered in Renault's register, with management ensured by BNP Paribas Securities Services, Renault's Registrar.

This shareholding condition was necessary for securing the ceiling mechanism for the French State's voting rights under the terms of the governance agreement signed between Renault and the French State.

Question 19: RENAULT-NISSAN ALLIANCE

- "Which out of Groupe Renault and Nissan group is the "parent company" and which of the two groups is a subsidiary of the other?" In other words, is the Alliance resulting from the agreement of 27 March 1999, amended in 2002, that granted the precedence to Renault over Nissan still in force?"

Answer:

The Alliance between Renault and Nissan was designed, from the start, as a partnership of equals, without consideration of the reciprocal shareholding links between the two companies. The Alliance's founding agreements do not, under any circumstances, aim to consolidate Renault's control over Nissan.

The Alliance is a unique partnership of two global companies which aims to create and increase the synergies between the two carmakers, whilst allowing each company to preserve its own distinct culture, brand identity and management.

Question 20:

After purchasing, engineering, manufacturing sites, logistics, and human resources since 2014, the Alliance now plans to merge the support services associated with these functions: quality and cost management. Other opportunities to increase synergies are being studied in Sales and Marketing, Connectivity and Connected Services, Product Planning and After-Sales and Other Support Services", added Renault-Nissan in a press release.

- Which Renault employees are affected by this convergence?

Answer:

The convergence process started in 2014 enabled Renault and Nissan to generate over €4 billion in annual synergies during the 2015 fiscal year. It implies the integration of departments, the creation of joint processes, the exchange of talents and the sharing of a large number of other resources.

All Renault and Nissan employees contribute to the success of the Alliance. In 2016, the Alliance wishes to identify new opportunities to increase the synergies in Sales and Marketing, Connectivity and Connected Services, Product Planning and After-Sales and Other Support Services. The aim of this new stage is to develop synergies and jointly drive new operational projects.

The Alliance aims to achieve €5.5 billion in synergies in 2018.

Question 21:

- "How are the different convergence processes articulated with the Stabilisation Agreement?"

Answer:

The convergence process and the Stabilisation Agreement do not have the same purpose.

Convergence between functions is organised between the two partners, Renault and Nissan, with the aim of promoting the operational cooperation of certain functions.

The Stabilisation Agreement aims to perpetuate the Alliance's development.

Question 22:

- "In the period prior to the signature of the Stabilisation Agreement, Nissan's Chairman and CEO took on the role of spokesperson on a possible breakdown between the two carmakers. Faced with this possibility, what actions could Renault's Chairman and CEO take to defend the Group's interests?"

Answer:

The Renault-Nissan Alliance is based on an agreement for an indefinite term between the two carmakers.

Renault and Nissan are two groups, which, although they have reciprocal share capital links, remain autonomous in their management. Thus, the Alliance is based on trust, and mutual respect between its partners. It strives to develop win-win solutions for both partners as well as their customers and shareholders.

Question 23:

- "At the end of 2015, the Chairman and CEO of the Renault-Nissan Alliance, Mr Carlos Ghosn, declared that the two carmakers were "not ready for a merger". He did not, however, totally exclude the possibility of such a structure in the long term ... Mr Carlos Ghosn also recalled that the "idea of a merger had already appeared in 1999", when the Alliance was created... In his opinion, the two carmakers "need much more convergence in order to imagine a merger one day". "Is the revision of the cross-holdings between the two companies a condition to imagine a merger one day?"

Answer:

This question requires a general reflection for which numerous factors must be analysed and taken into account. The existence of cross-holdings is not the only element to be taken into consideration.

Question 24:

- "What are the thresholds above which Renault's Chairman and CEO would consider a merger of the two groups?"

Answer:

There are no predetermined thresholds.

Question 25:

- "What conditions are required for an effective merger?"

Answer:

As indicated in the answer to question 23, this issue requires a general, complex analysis. At this stage, no conditions have been fixed to carry out such a project.

Question 26: (*Mr Sébastien Groyer, individual shareholder*)

- "Is the absence of customer representation within the Board voluntary?" Can the pursuit of the Company's corporate interest, the Company's objective, do without customer representatives, whilst at the same time, welcoming those of major shareholders, strongly represented on the Board. Why isn't this shareholder representation also granted to customers?"

Answer:

In accordance with Article 8 of the AfepMedef Code, "it is not desirable to multiply representatives of different specific interest categories within the Board, as the Board risks becoming the field of specific interest conflicts instead of representing all shareholders".

The Board of Directors is a collegial body mandated by all shareholders. It acts in the Company's corporate interest in all circumstances.

Customers are at the heart of the Company's strategy, and their interests are preserved by a Board of Directors, whose composition is balanced and for which the skills and ethics of its members are ensured. Renault's Board of Directors meets all these criteria.

Question 27: (*IPAC*)

- "Can you confirm that RCI Banque does not have installations that can be considered as tax havens?"

Answer:

Tax havens, more precisely designated as "Non Cooperative States or Territories" (ETNC) are indicated on a list updated by the French government. The decree of 8 April 2016 amending the ruling of 12 February 2010 taken in application of the second paragraph of point 1 of Article 238-0 A of the French General Tax Code lists the following ETNC: Botswana, Brunei, Guatemala, Marshall Islands, Nauru, Niue and Panama.

RCI Banque does not have any registered offices in the States or Territories indicated in the decree of 8 April 2016.

Question 28: (*IRCANTEC, Mirova, CPR Asset Management, ERAFP, Phitrust*)

- "With the sixth resolution on the agenda of the Annual General Meeting of 29 April, you ask us to approve an amendment to the Restated Alliance Master Agreement, the founding agreement of the Renault-Nissan Alliance. You indicate that this amendment "will have the effect of perpetuating the Alliance and promoting its development in the pursuit of Renault's corporate interest."

We are attached to this Alliance, which makes Renault-Nissan the fourth global carmaker. A convergence plan was launched in April 2014 in four key areas for

the Alliance in order to strengthen the synergies: engineering, manufacturing and supply chain management, purchasing and human resources.

Renault, in the "industrial relations" chapter of the 2015 Registration Document (pages 146 to 150), welcomes the global framework agreement that includes the following provisions:

- Comply with the principles set forth in the 1998 Declaration on Fundamental Principles and Rights at Work prepared by the International Labour Organisation (ILO).
- Promote industrial relations, in particular by complying with the principles fixed by International Labour Organisation convention no. 87 of 1948 on the freedom of association and the protection of labour rights, as well as ILO convention no. 98 on the right to organise and to collective negotiations.
- Integrate as a determining criterion in the selection of suppliers and sub-contractors their compliance with fundamental labour rights.

The advantages of "permanent local industrial relations" and the collective agreements signed in 2015 in numerous countries are highlighted in the same chapter of the Registration Document.

We would like to know what provisions will be proposed by Renault's representatives in the framework of the Alliance so that Nissan, a company whose culture includes, at least in Japan, compliance with trade union freedom and collective negotiations, implements the same provisions as those mentioned above in all its plants, including Canton in the USA, in order to "perpetuate the Alliance, promote its development, in the pursuit of Renault's corporate interest".

We wish to express our concern on this subject as we have heard, once again, that in the young plant of Canton in the State of Mississippi, created in 2003, Nissan's USA management continues to dissuade the over 5,000 employees from organising a trade union, denigrates collective negotiations and claims that it is not in the best interest of employees, customers or the community to have trade union representation in the plant.

We share your conviction that Renault's corporate interest goes hand-in-hand with the perpetuation of the Alliance. Industrial relations and respect of fundamental labour rights are essential for its development, both for Renault and Nissan. As shareholders, we have an interest in their implementation in all Alliance sites.

It would be damaging if their non-compliance in the Canton plant affects everyone's efforts. This is the purpose of our approach".

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 the local legal and regulatory environment. They remain, therefore, the specific domain of each company.

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.

II. Questions 29 to 41 were presented by Proxinvest.

Questions 29 to 31: on resolution 5 (agreement with the French State):

In the agreement with the French State submitted for approval in resolution 5, the French State accepts to cap its voting rights at Ordinary General Meetings for certain subjects. In light of the agreement, it would appear that the Board of Directors negotiated to have the French State's voting rights capped on subjects including executive compensation (consultative vote on the compensation of the Chairman and Chief Executive Officer, the granting of stock options, the granting of free shares) and the statutory age limit of the Chairman of the Board and the Chief Executive Officer.

In addition, the agreement states that resolutions submitted by a shareholder other than the French State, known as external resolutions, are not subject to the capping mechanism if the State votes in line with the recommendations of the Renault Board of Directors.

- *N° 29: "Why did the Board of Directors emphasise clauses which seem rather protectionist for management in its negotiation with the French State?"*

Answer:

Negotiations with the French State were intended to re-establish a balance between the shareholders. Without a cap on votes, the French State would have undue influence and, potentially, decision-making power over Renault's decisions.

The topics which are subject to a cap on voting rights at the Annual General Meeting are primarily related to decisions about Renault's everyday management. They are not in any way intended to protect management, but ensure that the French State will not have more influence than it had in April 2015 before it increased its share of Renault's capital and before the implementation of dual voting rights.

- *N° 30: "Did the fact that the French State, as a shareholder, opposed the approval of the "Say on Pay" vote for Mr Carlos Ghosn's compensation at the last two Annual General Meetings influence the Board of Directors in its negotiations?"*

Answer:

The Board of Directors did not take into account the decisions on "Say on Pay" at the last two Annual General Meetings in the Stabilisation Agreement negotiations.

- *N° 31: "Isn't the Board of Directors' negotiation for the removal of the cap on voting rights in the event of the French State's agreement to vote against external resolutions filed by one or more shareholders an abuse of power and a restriction on the rights of shareholders and on the impartiality required in matters of shareholder democracy?"*

Answer:

Due, one hand, to the increase in the French State's share of the capital of Renault in April 2015 and, on the other, to the award of dual voting rights in April 2016, the French State is now in a position to exercise nearly 34% of Renault's voting rights, and even more at Annual General Meetings given attendance levels.

The French State, therefore, simply accepted to cap its voting rights on certain decisions to re-establish the balance between itself and Nissan (which has no voting rights due to Renault's share in its capital).

Nevertheless, the French State wanted to remain free to have a say in more strategic decisions, as its holding and the law entitle it to, whether they were taken by the Ordinary General Meeting or the Extraordinary General Meeting.

The Board of Directors must issue a recommendation for each new resolution presented by a shareholder. It can be of strategic importance for the company, and in its corporate interest, that the French State support a recommendation made by the Board of Directors. This is why the French State requested and obtained the right to exercise all of its voting rights in these types of situations.

Questions 32 to 34: regarding resolution 6 (agreement with Nissan)

Resolution 6 of the Annual General Meeting proposed that shareholders approve the signature of a new agreement between Renault SA and its partner Nissan Motors. Renault's departments did not respond to Proxinvest's request that the full original agreement be made available.

The agreement, which claims to ensure the survival of the Alliance between the two carmakers over the long-term, will require that Renault vote in favour of the resolutions proposed by Nissan's Board of Directors at the latter's Annual General Meeting for the appointment, dismissal and remuneration of the members of Nissan's Board of Directors. It

will also require that Renault does not submit resolutions to Nissan's Annual General Meeting or vote in favour of resolutions which haven't been approved by Nissan's Board members. Renault has agreed to vote in line with the recommendations made by Nissan's Board of Directors, otherwise Nissan would be entitled to acquire Renault shares without prior approval.

- *N° 32: The provisions of the agreement appear to enable Mr Carlos Ghosn, Chairman of Renault SA, of Nissan Motor Co., and of the Renault-Nissan BV Alliance joint venture to retain his position as Chairman and Chief Executive Officer of Nissan even if he were to leave his position on the Renault Board. How can the Board of Directors of Renault, the leading shareholder with 43.4% of Nissan's shares, and with a significant majority in voting rights at Nissan's Annual General Meetings, forbid itself from freely taking part in Nissan's governance by abandoning many of its shareholder rights, including voting rights related to the issues of appointment/dismissal of executives, prorated to its financial investment?"*

Answer:

The Chairman and Chief Executive Officer is appointed by the Board of Directors of Nissan, on which Renault has less than half of the seats reserved for non-independent members. This means that Renault does not have the power to appoint Nissan's Chairman and Chief Executive Officer.

- *N° 33: "Doesn't this waiver of rights in favour of Nissan's Board, with no compensation for Renault SA, make the current Chairman and Chief Executive Officer irremovable as a result of his now protected position at both Nissan and Renault-Nissan BV, unless the alliance, which is rather beneficial to the two groups, is dismantled?"*

Answer:

Renault is not giving up its right to exercise its voting rights under the terms of the third amendment to the "Restated Alliance Master Agreement". It simply confirms its 17-year practice of non-interference in Nissan's management.

- *N° 34: The Chairman, Mr Carlos Ghosn, appears to receive compensation in the amount of €8 million from Nissan. This appears to be guaranteed and without any links to the subsidiary's performance. How does the Board of Directors of Renault SA intend to exercise its responsibilities with respect to setting the compensation of Nissan's Chairman when the company has been asked to waive its free vote in this respect and that your Board seems to have already given up its duties and responsibilities in this respect?"*

Answer:

The Alliance is a partnership between two independent manufacturers. In practice, the Groupe Renault and Nissan group are separate. They have separate decision-making bodies which take decisions autonomously.

The compensation of Nissan's Chairman and Chief Executive Officer is of the exclusive competence of the decision-making bodies of Nissan (the Annual General Meeting and the Board of Directors).

As previously stated, Renault is not giving up any of its prerogatives as the main shareholder either on Nissan's Board of Directors or at its Annual General Meeting. However, it should be noted that Renault is a minority member of Nissan's Board of Directors.

Questions 35 to 37: Regarding resolution 8 (Carlos Ghosn's compensation):

The Afep-Medef Code to which Renault refers states in point 23.1 of its Principles that *"the compensation determined through this process must be exhaustive. Fixed components, annual and/or multi-annual variable components, stock options, performance shares, directors' fees, pension terms, specific benefits and generally any other component of compensation must be taken into account when determining the overall compensation"*. It further states in point 24.3 also foresees the "Consultation of shareholders on the elements of compensation due or awarded at the end of the closed fiscal year" including "any other benefits".

Proxinvest has noted that the figures submitted to the shareholders of Renault SA are again missing some elements this year. First, the General Meeting brochure provided to the shareholders ([notice of meeting](#)) does not mention or footnote the compensation received by Mr Carlos Ghosn for his duties as Chairman and Chief Executive Officer of Nissan, a company which is 43.4% held by Renault: this significant compensation in the amount of €8 million paid by Nissan (that is, more or less half of his total compensation), although mentioned in the Registration Document, does not appear in the information provided to shareholders on pages 29-31 for the second year in a row.

- N° 35: *"Doesn't the fact that there is no information in the notice of meeting to prepare resolution 8 on the compensation received from Nissan, which accounts for approximately half of the total compensation and benefits received by Mr Carlos Ghosn, constitute an element which could be misleading for shareholders and, therefore, potentially offer grounds for the cancellation of the Annual General Meeting?"*

Answer:

The fact that there is no information in the notice of meeting regarding the compensation received from Nissan is not misleading for shareholders and does not, therefore, constitute a potential reason for cancelling the Annual General Meeting. See answer to question 34.

In accordance with the French regulations in force, Nissan's compensation does not have to be included in Renault's "Say on Pay", which only covers the compensation due or granted for the 2015 fiscal year for his mandate at Renault.

- N° 36: *"The Macron Law modified Article L. 225-102-1 of the French Commercial Code which now requires that "an estimate of the amounts of the payments and related expenses potentially paid to each company officer for their duties be provided." Unless we are mistaken, the company does not comply with this legal provision, contrary to other French companies. Can the Board of Directors provide to the Annual General Meeting, prior to the vote on resolution 8, an estimate of the annual payments that will potentially be made by the Groupe Renault to Mr Carlos Ghosn for his pension and explain why it did not comply with the Macron Law in this matter?"*

Answer:

The decree applicable to this provision was published in the Official Journal of the French Republic on 25 February 2016, too late to be taken into account in the documents for the 2016 General Meeting. A press release is planned for the 2017 General Meeting.

- N° 37: *Don't these two information shortcomings constitute clear non-compliance with the Afep-Medef Code's principle of exhaustiveness?*

Answer:

Renault does its utmost to comply with the Afep-Medef Code. Pursuant to the "apply or explain" principle, Renault provides, in the Registration Document, the reasons which led it to ignore a single provision of the Afep-Medef Code in 2015, that is, the criterion on the duration of corporate mandates when assessing the independence of directors.

Question 38: regarding resolution 13 (granting of free shares):

If it is passed, resolution 13 would allow for the granting of free shares to the Chairman and Chief Executive Officer subject to meeting certain performance conditions, notably operating profit compared to the average of a group of competitors, and a total shareholder return (TSR) lower than the average of the two comparison indexes (EuroStoxx Auto & parts and Euro Stoxx ex Financials). According to the document "[Principles of compensation for long-term incentive plans](#)", uploaded on the group's website in April 2016, no shares should be granted for these two criteria if Renault under-performs when compared to comparable entities. Yet, page 37 of the brochure provided to the Annual General Meeting indicates that partial granting of free shares is possible even in the event of under-performance against comparable entities. These documents, which we copy as an attachment, are contradictory and certain shareholders voting by post may have based their decision on inaccurate information.

- *"Which of the two documents is correct and is partial granting of free shares possible in the event of under-performance compared to the average of comparable companies or of the comparison index?"*

Answer:

The information published in the notice of meeting is a draft. A decision was taken to tighten the performance conditions in the plans and to reinforce the criteria requirements.

Questions 39 and 40: on Renault's investment in Russia

An article of The Wall Street Journal of 11 April 2016 reported the misadventures of Renault in Russia. In 2008, Renault invested €700 million there in order to obtain 25% + 1 share of the share capital of AvtoVAZ. Following the 2008 crisis and the pressure from the Russian authorities, it was necessary in 2012 to agree to reinvest, particularly in 2014, alongside Nissan, while also investing over time in the construction of lines and production development in Russia. The Wall Street Journal reported a total cumulative investment of \$2.4 billion for Renault and Nissan.

- *What is the amount of the cumulative investments in Russia since 2007, both in terms of the acquisitions of stakes as well as in investments in production and modernisation?*

Answer:

The amount of cumulative investments in Russia since 2007, both in terms of the acquisitions of stakes as well as in investments in production and modernisation is €1.027 billion.

Despite the presence of Chairman Ghosn in the Chairmanship of the Board of Directors of AvtoVAZ, the contribution of AvtoVAZ to Renault's earnings was once again negative in 2015, in the amount of -€620 million. AvtoVAZ had recorded a loss greater than €1 billion in 2015. The share of Renault in that loss was €395 million (of which €136 million from an operating loss), and the value of the investment was depreciated once again, by -€225 million in 2015, to reach €91 million only at the end of 2015, a value equal to its market capitalisation. The Registration Document reports a necessary recapitalisation of AvtoVAZ in view of insufficient assets, and a possible taking of control by Renault. During the presentation of its financial results, Renault indicated a negative outlook for Russia in 2016 (-16%).

- *In view of the significant cumulative losses and bearish outlook in Russia, do you regret the investment in AvtoVAZ, and do you think that it is necessary to pursue the bailout of its losses, which may be consolidated by Renault if*

the group takes control of it? What was the level of Renault's loans and receivables with AvtoVAZ at the close of the fiscal year? Isn't the governance risk too high to risk such recapitalisation?

Answer:

We do not regret our investment in AvtoVAZ. It is a strategic investment in one of a few world-scale automotive markets, in which annual sales are numbered in millions of units. Combined with the operations of Renault Russia and those of Nissan, the Alliance holds a key position in this market. While it is true that demand is currently suffering greatly from the economic situation, we remain nonetheless convinced that the automotive market will make a comeback, and that we will then be ready when that moment arrives. Taking into account these factors, it seems to us completely well-founded to continue to invest during the lowest part of the cycle, in order to be ready for the upturn. It is not at the low point of the cycle that one should withdraw.

The level of Renault's loans and receivables with AvtoVAZ at the close of the fiscal year was €414.9 million.

Question 41: on the use of the cash assets to be received from Nissan Motors.

As Chairman of Nissan, Carlos Ghosn announced in February a plan for the buyback by Nissan of its own shares in the amount of ¥400 billion (€3.2 billion) or 300 million shares, from 29 February to 22 December 2016, which would not modify the "*shareholder equilibrium with Renault and would not have an impact on the governance of the alliance*". "This transaction should transfer significant amounts of cash from Nissan to Renault, since Renault's share of Nissan (43%) could bring in the equivalent of about €1.3 billion."

- *How would these exceptional cash assets be reused: could one hope for an exceptional dividend distribution to the shareholders, or would it serve to bailout the capital of the Russian production units?*

Answer:

At this time, the use has not yet been decided.

Questions 42 to 46 are presented by the SICAV PhiTrust active investor.

Question 42:

- Why haven't these two agreements, which are the subject of the fifth and sixth resolutions of the present Annual General Meeting, and which respectively concern the Governance Agreement entered into by Renault with the French State and the third amendment to the Agreement of 28 March 2002 signed with Nissan,

been published in the Registration Document, as is the case for agreements of this type put into place in other CAC 40 groups?

Answer:

See the answer to Question 7, above.

Question 43:

- Concerning the fifth resolution: Is there consideration being offered by Renault's Board of Directors to the French State following the placement of a cap on voting rights set forth in that Governance Agreement, even while the French State was looking to increase its stake, against the advice of Renault's Board?

Answer:

As a result, on the one hand, of the French State's increased stake in Renault's capital stock in April 2015, and, on the other hand, the attribution of double voting rights to the French State on April 3, 2016, the French States have the right to exercise approximately 34% of their exercisable Renault's voting rights.

Under the terms of the Governance Agreement, the French State thus accepted to put a cap on the exercise of its voting rights for certain decisions presented in the Annual General Meeting of Renault.

That Governance Agreement, like the third amendment to the Restated Alliance Master Agreement entered into between Renault and Nissan, is part of an overall approach that aims at perpetuating and reinforcing the Alliance.

Question 44:

- Concerning the sixth resolution, taking into account the cap placed on the French State's voting rights in Renault, what is the justification for the waiver by Renault of its legitimate shareholder rights in Nissan, and, in particular, its freedom to vote on the Board of Nissan regarding all essential issues of governance?

Answer:

Renault did not waive any right to exercise its voting rights when it concluded the third amendment to the Restated Alliance Master Agreement. Indeed, Renault remains free to vote, as it intends to do, in Nissan's Annual General Meeting. However, if the vote cast by Renault is not in conformity with the recommendations of Nissan's Board of Directors, Nissan will temporarily recover its freedom to acquire shares of Renault, a freedom it has not been allowed since 1999, through the effect of the founding contracts of the Alliance.

The commitment of the French State to put a cap on its voting rights in Renault responds to the necessity of demonstrating to Nissan that it is not just Renault, but also the French State, as the primary shareholder of the French manufacturer, that wishes to perpetuate the Alliance.

Question 45:

- As Nissan's reference shareholder, how can Renault refrain from freely proposing in the future the recall or the appointment of senior executives of the Nissan group?

Answer:

The third amendment to the "Restated Alliance Master Agreement", formalised the 17-year practice of Renault's non-interference in Nissan, which has been apparent since the beginning of the Alliance. Renault refrains from intervening in Nissan's governance, something which is moreover attested to by the minority presence of Renault within Nissan's Board of Directors.

Question 46:

- If the present Annual General Meeting votes against the approval of the agreements presented in the fifth and sixth resolutions, does Renault's Board of Directors intend to review the provisions put into place which are not favourable to Renault's minority shareholders? In such a scenario, how does the Board of Renault expect to solve the potential conflict of interest posed by the dual responsibility of Mr Carlos Ghosn, the Chairman and Chief Executive Officer of Renault and Nissan?

Answer:

By authorising the signing of the Stabilisation Agreement, the Board of Directors defended the corporate interest of Renault and that of all the shareholders, including its minority shareholders. Pursuant to the procedure applicable to regulated agreements in the event of an unfavourable vote by the Annual General Meeting, the agreements will continue to produce their legal effects (Art. L. 225-41 Commercial Code).