

Answers to the shareholders' questions

RENAULT SA

Ordinary and Extraordinary Shareholders' Meeting of June 15, 2018

QUESTIONS BY MR. CLAUDE PATFOORT

I. Renault-Nissan Agreement

Summary:

The operational management of Renault (and Nissan) is, allegedly, gradually transferred to RNBV.

Question:

- ⇒ Should we consider that the March 1999 agreement, that defined the Alliance of Renault and Nissan in terms of separate and autonomous companies, retaining control over their respective operational management, has lapsed ?

Answer:

Since its creation, the Alliance ensures a strict balance between partners and the preservation of their respective interests. It has never deviated from these founding principles.

Renault-Nissan b.v. (« **RNBV** ») initiates and coordinates the actions undertaken within the Alliance.

RNBV does not intervene in the operational management of Renault or Nissan and does not share in the profits or bear the associated risks.

The list of powers delegated to RNBV is restrictive and has not changed since the creation of the Alliance. It is reminded in section 1.2.3.2 of the Registration document of Renault.

Operational decisions are made and implemented by each company to the extent that they concern it, including for the so-called converged activities.

Indeed, RNBV's decisions and recommendations are always resolved upon by the management and administrative bodies of Renault, which ensure their compliance with Renault's corporate interest.

No strategic option with respect to Renault, including under powers delegated to RNBV, is taken without Renault's executives or Board of Directors, depending on circumstances, having expressed an opinion.

Thus, the implementation of the orientations defined by RNBV and all of the resulting operational decisions remain of the exclusive competence of Renault.

II. Renault-Nissan merger

Summary:

The converged functions, which are important, are allegedly under the operational control of RNBV.

Questions:

- ⇒ What are the reasons for the merger of the two companies not to be formalized?
- ⇒ What are the activities of the Renault group which remain of its exclusive competence?
- ⇒ As regards the R&D activities of Renault, what does the “not-included” part (the one which is specific to Renault) represent in the subsidiary that comprises the engineering activities?
- ⇒ As part of the converged functions, on what basis are the exchanges between Renault, on the one hand, and Nissan, on the other hand, made? In other words: how are the results of the converged functions reported in the balance sheet of both partners?
- ⇒ On what basis are these contributions valued?
- ⇒ In terms of workforce, how many employees are assigned to the converged functions?
- ⇒ What portion of the turnover of Renault is dedicated to the converged functions?
- ⇒ What share of the 2017 turnover of Renault does the “purchasing” activity represent? What is the value of the synergies, out of this share?

Answer:

RNBV has no operational role within the converged functions. Operational decisions are made and implemented by each company to the extent that they concern it, including for the so-called converged activities.

Convergence of certain functions only results from an industrial logic and does not lead to a modification of the legal structures or, even more so, a merger between the two groups, as Renault and Nissan retain their autonomy in management and decision-making.

The nine converged functions are the following: Engineering; Manufacturing, Production Engineering and Supply Chain Management; Purchasing, Quality and Total Customer Satisfaction; Aftersales; Business Development; Talent; Renault-Nissan-Mitsubishi LCV Business and the Alliance CEO Office.

The objective of this convergence is to identify new opportunities to increase the synergies among the Alliance members.

These synergies derive from revenue increases, cost reductions and cost avoidance. Only new synergies – and not cumulative synergies – are evaluated each year.

In July 2017, the Alliance announced synergies of EUR 5 billion in respect of the 2016 financial year.

The Alliance now aims to increase annual synergies to over EUR 10 billion by the end of the “Alliance 2022” plan.

Renault does not communicate more detailed figures on the converged functions.

III. RNBV operations

Summary:

Contrary to what is mentioned in the Registration document of Renault, Renault's stake in RNBV (like Nissan's) has, allegedly, fallen below 25%.

At the same time, (undetermined) shareholders have, allegedly, granted themselves a "super" dividend via preference shares.

Questions:

- ⇒ Who has decided this allocation of the share capital of RNBV, and why?
- ⇒ Has the Board of Directors of Renault resolved upon this mechanism? What has been the outcome of the Board consultation?
- ⇒ How can the fact that Renault becomes a minority shareholder of RNBV be in Renault's corporate interest?
- ⇒ What are the reasons for the name of Renault not to be disclosed in the articles of association?
- ⇒ Renault's stake in RNBV is valued at EUR 12 million in the Registration document. Is it the same perimeter as the share capital, the amount of which in the articles of association of RNBV is EUR 32 million?
- ⇒ What is the breakdown of the share capital of RNBV? Who does hold shares of RNBV?
- ⇒ What are the relationships of the holders of preference shares with Renault and Nissan?

Answer:

RNBV is a company incorporated under Dutch law. The share capital set out in the articles of association is the "authorized" capital, not the share capital which has actually been "issued" and which corresponds to the outstanding shares as at the date hereof.

The "authorized" capital of RNBV comprises preference shares and a priority share. These shares were reserved for a foundation created to ensure the stability of the Alliance, which was entitled to subscribe for them under certain circumstances, in particular in case of unsolicited tender offer (the "**Foundation**"). They have never been issued. In May 2012, the agreement allowing the Foundation to subscribe for the preference shares and the priority share ended, and the Foundation is now dormant.

Thus, as of the date hereof, the share capital of RNBV only comprises R and N shares. There are neither other outstanding shares, nor other shareholders (other than Renault and Nissan).

Renault holds all the R shares, representing 50% of the "issued" share capital of RNBV. The balance (50%) is composed of N shares, all held by Nissan.

Thus, in accordance with what is mentioned in the Registration document of Renault, RNBV has actually "been owned equally by Renault and Nissan since 2002".

IV. RNBV Management Board

A. Role of the Management Board of RNBV

Summary:

Composition and role of the Management Board of RNBV are, allegedly, not clearly defined and explained.

Question:

⇒ What is the role of the Management Board of RNBV?

Answer:

The Management Board of RNBV currently comprises 10 members:

- 5 members are appointed by Renault, from among whom Renault chooses the Chairman of the Management Board; and
- 5 other members are appointed by Nissan, from among whom Nissan chooses the Vice-Chairman of the Management Board.

The Management Board has the power to represent RNBV vis-à-vis third parties.

All decisions affecting the Alliance are made by the Management Board by simple majority of the votes of the members present or represented.

B. RNBV's financial statements

Summary:

RNBV, a structure for "discussions", should have neither turnover nor earnings.

Questions:

- ⇒ What are the sources of the turnover of RNBV?
- ⇒ What is the share of Renault's activities?
- ⇒ What is the structure of RNBV in terms of workforce?
- ⇒ Based on the 2017 activities, what would be the amount of the profits distributed to the shareholders of RNBV (with a detail by beneficiary)?
- ⇒ How many employees of Renault SAS contribute to the turnover and the earnings of RNBV?

Answer:

In consideration for the services provided by RNBV to Renault and Nissan under the Management Agreements described in section 1.2.3.2 of the Registration document, RNBV receives a remuneration corresponding to the costs borne by RNBV, as increased by a margin.

The results generated by RNBV are generally recorded as retained earnings and not distributed as dividends. As an example, net income after tax of RNBV for the 2016 financial year amounts to EUR

3,732,000. This amount has been recorded as retained earnings. It has not been distributed to Renault and Nissan.

RNBV has no employee.

C. Renewal of the Management Agreement between Renault SAS and RNBV

Summary:

The shareholders have, allegedly, not been informed of the renewal of the Management Agreement.

Questions:

- ⇒ Where is this information?
- ⇒ Could you please provide the shareholders with the elements on which your statement is based?

Answer:

In April 2012, an agreement entitled "Renewal Agreement of the Management Agreement" was entered into for a 10-year period.

Its terms and conditions are identical to those of the Management Agreement – which is thus renewed for 10 years.

The shareholders were informed of the renewal of the Management Agreement for 10 years during the 2012 shareholders' meeting of Renault.

QUESTIONS BY PHITRUST

I. Top-up pension scheme

The Chairman and CEO benefits from the top-up pension scheme arranged by Renault and similar to that currently benefiting to the former Chairmen and CEOs of Renault. This scheme complies with the applicable legal and regulatory provisions as well as to the recommendations of the AFEP-MEDEF Code.

It was approved by the Board of Directors on October 28, 2004 and October 31, 2006. It was confirmed by the Board on February 12, 2014 and February 15, 2018.

In accordance with the provisions of article L. 225-42-1 of the French commercial code, the top-up pension scheme must be submitted for approval by the shareholders of Renault upon renewal of the office of Mr. Ghosn.

Thus, the top-up pension scheme of the Chairman and CEO was approved by the Shareholders' meeting of April 30, 2010 (10th resolution) and the Shareholders' meeting of April 30, 2014 (7th resolution).

The terms and conditions of the top-up pension scheme have not varied.

As of December 2017, the Renault's commitments with respect to its Chairman and CEO, based on its seniority, represent:

- EUR 14,060 per year for the defined-contribution pension scheme; and
- EUR 764.946 gross annual retirement pension for the top-up defined-benefit pension scheme.

These figures of the retirement commitments to the benefit of the Chairman and CEO were independently validated by Mercer, Generali and Willis Towers Watson.

II. Selection of the Directors appointed upon proposal of Renault within the Board of Directors of Nissan

Question:

- ⇒ Are the Directors appointed upon proposal of Renault within the Board of Directors of Nissan selected by the Appointments and Governance Committee of Renault?

Answer:

In accordance with the provisions of article 16 of the AFEP-MEDEF Code and article III.3 of the Board Charter of the Board of Directors of Renault, the Appointments and Governance Committee participates in the selection of the Managers and Directors of the issuer, i.e., Renault.

In compliance with applicable laws and regulations, the powers of the Appointments and Governance Committee, as those of the Board of Directors that the Committee assists, do not extend to the selection

of Renault's members of the Management and Administration bodies of the 281 companies in which Renault holds a stake, including Avtovaz, Dongfeng Renault, Oyak-Renault or Nissan.

III. Exercise of the voting rights of Renault at Nissan's shareholders' meetings

Question:

⇒ Will the decrease of the French State's stake to 15% of the share capital of Renault allow the French group to recover its freedom to exercise its voting rights at Nissan's shareholders' meetings?

Answer:

On December 11, 2015, the Board of Directors of Renault authorized the signature of stability agreements of the Alliance, i.e.:

- a Governance Agreement entered into with the French State, the purpose of which is purpose to restrain the free exercise of the voting rights of the French State in connection with certain decisions submitted to the Shareholders' meeting; and
- a third amendment to the "Restated Alliance Master Agreement" (the "**RAMA**") entered into with Nissan, enshrining the constant practice of non-interference of Renault in the governance of Nissan.

The entry into force of the stability agreements was approved by the Renault shareholders, at a very large majority.

The decrease of the French State's stake to 15% of the share capital of Renault has no effect on the validity of these agreements.

Thus, Renault is still bound by the provisions of the third amendment to the RAMA, and in particular those relating to the exercise of its voting rights at shareholders' meetings of Nissan.

This agreement provides for a mechanism by which, when the board of directors of Nissan submits certain resolutions to the shareholders' meeting of Nissan, relating to the appointment, the dismissal and the remuneration of the members of the Board of directors of Nissan, Renault will vote in favor of the submitted resolutions.