

Answers to the written questions of the shareholders

RENAULT SA

Ordinary and Extraordinary Shareholders' Meeting of June 15, 2017

Answers to the written questions received from the shareholders prior to the Shareholders' Meeting are set out in this document, in accordance with the provisions of Article L. 225-108 of the French Commercial Code.

They were discussed during the meeting of the Board of Directors held on June 15, 2017.

I. QUESTIONS N. 1 TO 13 WERE ASKED BY MR. CLAUDE PATFOORT, INDIVIDUAL SHAREHOLDER

Questions n. 1 to 3: Thoughts on the Board of Directors

“The articles of association provide that “any director is required to act, in any circumstances, in the corporate interest of the Company. He is appointed by all the shareholders and also takes into account the other stakeholders’ expectations”.

Reading the report of the Board activities¹ raises doubts that such is the case and allows to question whether the presumed expectations of the Chairman do not become mandatory² for the Board and whether the Board does not anticipate the “Prince’s wishes”, breaching its own internal rules if necessary?

Unanimous approval by this Board of the stabilization agreement and the undertaking, imposed to Renault, “not to submit proposals to the shareholders’ meeting of Nissan nor to vote in favor of a resolution which has not been approved by the members of the Board of Directors of Nissan [...] failing which Nissan would be allowed to acquire Renault shares without prior consent” illustrates it!

This hold-up is, together with the creation of the converged functions, the last step towards a transformation of the Alliance, which used to be a place of exchange and dialogue between Renault and Nissan into a new “pragmatic, flexible business tool that can expand to accommodate new projects and partners worldwide” according to the positioning set out in the document of the shareholders’ meeting of April 30, 2015.

Can this scenario of questioning the preponderance of Renault be envisaged?

What are the reasons why the Board approved this agreement?

Does the Board of Directors think that a rebalancing of the decisions centers in accordance with the 2002 agreements is advisable?”

Answer:

With 43.4% of the share capital, Renault is Nissan’s reference shareholder.

On its side, the Nissan group holds 15% of the share capital of Renault but is deprived of its voting rights in accordance with legal provisions.

The increase in the French State’s stake in the share capital of Renault, as well as the introduction of double voting rights, led the parties to complete and reinforce the agreements relating to the Alliance.

¹ Registration Document.

² The internal rules provide that “in the event of urgency or where the time limit cannot be met, the agenda and the documents relating to the matters for discussion by the Board of Directors shall be transmitted not less than 24 hours before the Board of Directors meets.” This 24-hour period was not complied with.

Thus, the French State agreed to cap the exercise of its voting rights in Renault shareholders' meetings.

Besides, Renault's commitments towards Nissan are in line with the constant practice of Renault since the creation of the Alliance, consisting, in the spirit of the partnership of equals, in respecting the decisions taken by the Board of Directors of Nissan concerning notably its composition – it being specified that Renault may contractually appoint several members within it.

The Alliance Stability Covenants were approved by the Board of Directors because they ensure sustainability, in line with the corporate interest of Renault.

Renault's shareholders, fully informed of the main terms of these agreements, approved them by a very large majority.

Therefore, far from undermining the Alliance balance, the agreement entered into between Renault and Nissan sustains it.

Questions n. 4 to 6: Ethic

"In several instances, the group faced difficult situations, without making any judgment on the merits: "spy case, speed regulators" and recently claims on certain antipollution controls.

Regarding this last case, is it a fraud (setting up of means to deliberately mislead the customer) or an "optimization" of control means?

In order to avoid such situations, which may impact other sectors of the company (purchase department), have specific schemes been considered?

The Board of Directors has the requisite "alert procedure" counterbalance powers to protect the company?"

Answer:

As regards the diesel case, Renault reminds its constant position:

- Renault complies with French and European regulations.
- Renault vehicles are all and have always been homologated in accordance with the laws and regulations. They are compliant with the applicable standards.
- Renault vehicles are not equipped with cheating software affecting anti-pollution systems.
- The States, European Commission, Regulation Authorities and automotive manufacturers all share the opinion that the requirements of the applicable regulations need to be strengthened. This is the purpose of the future Euro6d Regulation.

More generally, the Board of Directors has all the information and requisite powers to carry out successfully its mission of control of the management, in line with Renault's corporate interest.

Question n. 7: Renault a group brand or a brand within a group?

« We are witnessing a progressive takeover or more precisely a dilution of Renault within what is today a brand conglomerate: “all the skill of Mr. Ghosn was to create from the Alliance previously a place of exchange and dialogue between Renault and Nissan into a new “pragmatic, flexible business tool that can expand to accommodate new projects and partners worldwide” according to the positioning set out in the document of the shareholders’ meeting of April 30, 2015.

Following the entering into of this third amendment, Carlos Ghosn does not need the consent of Renault anymore, he may use his 49.3 whenever he is willing to: the directors will never vote (?) the motion of censure: “if it is to be applied this covenant said of stability abandons in fact to Carlos Ghosn, the usufruct of the management of the Renault Nissan Alliance, the French State taking a passive role of annuitant³”. The increase of Nissan stake in Mitsubishi goes into this direction.

Merger or not toward which economic and industrial scheme is the Alliance developing?”

Answer:

For 18 years, the Alliance has been a unique partnership, among equals, leant towards 3 long-term objectives:

- to rank in the top three automotive groups for quality and value in each region and market segment;
- to rank in the top three automotive groups in key technologies, each partner being a leader in specific fields of excellence;
- to rank in the top three automotive groups for total operating profit.

Deepening the Alliance, while respecting each manufacturer’s identity, is seen as a key factor of success of Renault and of the achievement of the objectives reminded above, in the corporate interest of the company and its shareholders – including the French State.

The Alliance Stability Agreements participate to ensuring the necessary framework for the Alliance development.

Question n. 8: Relationship of the Chief Executive Officer of Nissan with his reference shareholder

“During the last month, a violent dispute opposed Renault with its supervisory administration – refer to the double voting rights case in the context of the Florange law. In order to oppose his reference shareholder, Carlos Ghosn relied on Nissan which remains, in spite of its rescue in 1999 by the manufacturer of Billancourt, a competitor which knows how to make its interest prevails, including to the detriment of the firm with a lozenge-shaped logo (see the acquisition of Mitsubishi).

Is the presence of Mr. Ghosn as head of Renault still appropriate?”

Answer:

³ Renew srta blog of January 7, 2016 article a stability covenant or a capitulation covenant? article also available online on Médiapart blog.

This decision belongs to the Board of Directors and the shareholders' meeting of Renault.

The functions exercised by Mr. Ghosn within the entities of the Alliance allow to ensure the consistency of their strategy.

Question n. 9: Is the agreement of March 1999 still current?

“The Agreement of March 1999 defined two distinct companies, each keeping control over its operational management. Since January 2014, the main functions of both groups converged with the transfer of the operational management to RNBV. Even if Renault and Nissan remain separate entities for the presentation of the accounts, the convergence, in 2014, of the operational functions is similar in all points to a merger, which is made “at the bottom end” and which, logically, “*also encourages the convergence of the management of both companies*” according to the group’s documentation of the shareholders’ meeting of 2015. Far from the official lien which regularly rejects the idea of a merger.

For what reason(s) have the shareholders not been consulted on the reconsideration of the strategy which was defined and approved by the shareholders’ meeting of February 2002?”

Answer:

There was no reconsideration of the decisions taken by the shareholders in 2002.

RNBV, which has a limited number of employees, is meant to be a dialogue body between Renault and Nissan for the taking of certain strategic decisions.

It is a forum, which allows the exchanges between the managers of both groups, with a view to defining joint objectives, in compliance with the corporate interest of each manufacturer.

Powers of RNBV are those which were delegated to it by Renault SAS in 2002.

The list of these powers has not been amended since 2002.

In addition, RNBV does not participate in the operational management of the Renault group, which continues to be fully ensured by Renault SA and Renault SAS.

Question n. 10: The 2014 decision obviously amends the Alliance perimeter

« Within the initial framework, we thus had the alliance of two independent companies, each keeping the control of its operational management, which since 2014 is transforming into a multinational built on the pooling of the assets of these two companies, which management is transferred to a subsidiary.

In fine, the structure which is put in place demolishes the principles of two autonomous groups, founding myth of the Alliance. After all if the pooling of the purchases shall be compared to the dependence of the supply sources, the introducing of competition between manufacturing and assembly facilities to the one of sustainability of the industrial facilities in particular within France, the carve-out of the two engineering within the same department is really the end of independence for both manufacturers which the effective reconciliation since last April 1, of the commercial vehicle

departments within the same subsidiary confirms that the total or partial carve-out between these two groups is on the agenda. Mr. Carlos Ghosn has greatly been involved on this matter in order not to mention that within the context of a merger, there is loser and a winner.

What is the pursued objective regarding the alliance between Renault and Nissan?”

Answer:

The decision to accelerate the convergence between Renault and Nissan taken in 2014 does not modify the perimeter of the Alliance, set by the delegation of powers from Renault SAS to RNBV taken in 2002 and which scope has since not been amended.

The common objective of Renault and of Nissan is to deepen the Alliance, in line with the identity of each manufacturer.

Questions n. 11 to 13: the Alliance

Question n. 11:

“The change of strategy since 2014 undermines the 1999 agreement (which provided for the preponderance of Renault following the insolvency of the Japanese manufacturer).

The strategy designed since this date is done without information employees and even worse with a certain cynicism, since it was presented as being in the continuity of the 1999 agreement in total opposition with the instruments governing the Alliance.

Is the AMF aware of this fact?”

Answer:

The decision to accelerate the convergence between Renault and Nissan, taken in 2014, fall within the continuation of the 2002 agreement (which has replaced the 1999 one): it intends to deepen the Alliance, without modifying its nature or equilibrium.

It is perfectly consistent with the principles stated in the 2002 position of the French Financial Market Council (*Conseil des marchés financiers*).

This decision is public and is notably included in the registration document.

Question n. 12: Conflicts of interests

“We may notice the role confusion: does Mr. Ghosn express himself and act as CEO of Nissan or Renault? The position of Mr. Carlos Ghosn as could have rightly underlined the Court of Auditors (*Cour des comptes*) in its report on the French State as shareholder, is “multi-headed” as he concurrently holds until last April 1, four position, CEO of Renault, of Nissan, of Mitsubishi and of the Renault Nissan Alliance; positions featuring contradictions and conflicts of interests which may telescope the corporate interest of Renault. The competition between these positions and the complexity that they involve may be illustrated: he is shareholder and seats on the Board of Directors of Renault, Nissan and even Mitsubishi, he is subject to budget restrictions; lastly he is law maker and regulator.

In order to come to an end on the conflict concerning the implementation of the Florange Law, the CEO supported a competitor; the stability covenant is notoriously against the interests of the Renault group.

Mr. Carlos Ghosn, thanks to his representation on the Board of Directors of Renault and its committees, has access to strategic information whereas he is at the same time shareholder and director of Nissan and he takes, as CEO, decisions which content could be inspired by confidential information he holds; for example, the revision of the cross-shareholdings in the share capital of Renault and the share capital of Nissan could occur in an insider situation.

And because such a scenario is plausible, the question of a conflict of interest to the detriment of Renault should be asked regarding the situation of the CEO.

We ask the AMF to initiate an inquiry on this subject.”

Answer:

The combination of the functions of Chairman and Chief Executive Officer of Renault SA, of President of Renault SAS, of Chairman and Chief Executive Officer of Nissan and of President of RNBV is not contrary to the regulation applicable to each of these companies or the provisions of the agreements to which they are parties.

Also, it is not rejected by the position taken in 2002 by the French Financial Market Council (*Conseil des Marchés Financiers*).

Since last April 1, the Chairman and Chief Executive Officer of Renault is no longer Chief Executive Officer of Nissan.

The Board of Directors of Renault considers that since its creation 18 years ago, the Alliance is a key element in the success of the Renault group.

The Alliance Stability Covenants were approved by the Board of Directors because they ensure sustainability, in line with the corporate interest of Renault.

Renault's shareholders, fully informed of the main terms of these agreements, approved them by a very large majority.

Renault and Nissan recorded EUR 4.3 billion in synergies in 2015, one year before the target date. Thanks to the convergence, the Alliance expects to achieve at least EUR 5.5 billion in synergies in 2018.

Question n. 13: Non-compete indemnity

“During its meeting of February 11, 2015, your Board of Directors authorized the execution of a non-compete agreement between your company and Mr. Carlos Ghosn pursuant to which the latter undertakes, as of the end of his term as Chief Executive Officer not to exercise, either directly or indirectly, any competing business with that of the group, either on his own behalf or on behalf of another company. A competing business with that of the group refers to any business involving the design, construction or marketing of automobiles (mainly passenger cars and light commercial

vehicles) carried out in the same geographical areas and sectors as those of the group at the end of his term of office.

“The Board of Directors notably considered (i) the particular competitive nature of market on which the group operates, (ii) the importance of the functions and recognized expertise of Mr. Carlos Ghosn in this market, (iii) the resources at his disposal, (iv) the sensitive information which Mr. Carlos Ghosn holds or to which he has access to, and (v) the relationships which are developed by Mr. Ghosn in exercising his office, and concluded that it was necessary to protect the legitimate interests of the group through the introduction of this non-compete clause.”

Do these provisions cover Nissan business?”

Answer:

The non-compete agreement provides a definition of the competing businesses of the Renault Group, i.e. any business involving the design, construction and/or marketing of automobiles (mainly passenger cars and light commercial vehicles) carried out in the same geographical areas and sectors as Renault such as, notably, the businesses of PSA auto, FIAT auto EMEA, VW Brand and Skoda Brand as well as all their subsidiaries.

In accordance with the AFEP/MEDEF Code, the Board of Directors will decide, upon Mr. Carlos Ghosn's departure, whether to enforce the said non-compete agreement and may unilaterally decide to waive the implementation of this clause.

II. QUESTIONS N. 14 TO 37 WERE ASKED BY PHITRUST

Question n. 14: Re. the organization of the management powers

“As the management powers of Renault are not separate, don’t you think that it would be necessary, in order to ensure the sustainability of the powers in case of the occurrence of a crisis or events leading to the temporary or definitive vacancy of the top executive officer, that a deputy Chief Executive Officer be appointed and have a seat at the Board of Directors?”

Answer:

The Appointments and Governance Committee assists the Board of Directors in selecting the officers and drawing up a plan for the succession of the Chairman and Chief Executive Officer.

In this context, the appointment of one or several deputy Chief Executive Officers is regularly assessed. For the moment, such appointment was not deemed necessary.

Questions n. 15 and 16: Re. the role of the Lead Independent Director

Question n. 15:

“In accordance with article IV. 3.2 of the Internal Rules of the Board of Directors, the reunion of the management functions justified the appointment of a Lead Independent Director who, although he does not have specified powers by law, is granted by the Internal rule certain roles, in order to assist or even replace the Chairman of the Board.

How do you explain that, during the shareholders’ meetings, the activities of the Board and its specialized committees, and even the questions related to the governance of the group, are presented by Mrs. Sepehri, Executive Vice President, Office of the Chief Executive Officer, and not by the Lead Independent Director?”

Answer:

Mrs. Sepehri is not only Executive Vice President, Office of the Chief Executive Officer, but also Secretary to the Board of Directors of Renault. It is a normal practice for CAC companies to have the activities of the Board of Directors and its committees presented by the Secretary to the Board during the shareholders’ meeting.

Question n. 16:

“Could you specify the effective role of the Lead Independent Director?”

Answer:

The effective role of the Lead Independent Director, Mr. Lagayette, is described in page 252 of the 2016 Reference document of Renault SA. In general, it consists of coordinating the activities of the independent directors and liaising between the Chairman and Chief Executive Officer and the independent directors. He approves the agenda of the Board of Directors. He may convene a Board

meeting after obtaining the opinions of all committee Chairmen.

In particular, Mr. Lagayette played this full role in the context of the negotiation of the Alliance Stability Covenant with Nissan and the French State.

Questions n. 17 to 27: Re. the agreements between Renault and Nissan

“In spite of the answers provided to the written questions to the 2016 shareholders’ meeting on the 3rd amendment to the 2002 agreement with Nissan, several questions remain, for us, of concern:”

Question n. 17:

“You answered to the written question n. 28 to the 2016 shareholders’ meeting of 2016 that the assessment of the matters relating to the union representation in the Nissan facilities in the United States of America was linked to the company’s culture and the legal and regulatory local environment, which, in fact, is true for each country in which the Alliance is present.

Nevertheless, regarding the biggest commercial market of the Alliance, the performance of which can have an impact on Renault’s results, could the directors representing Renault within Nissan keep us informed of what is going on in the Nissan facilities in the United-States of America, especially in the plant of Canton, Mississippi, the management of which allegedly does not comply with the International Labour Organization, which may lead to local social difficulties?

Doesn’t this type of matter illustrate precisely one of the critics formulated by the amendment in 2016 of the Alliance Stability Covenant as it would limit the strength of the remarks that could be made by these directors or by the Human Resources representatives of Renault during joint meetings with Nissan?”

Answer:

Renault, Nissan, Avtovaz and Mitsubishi employ 470,000 employees.

The success of the strongest and most sustainable Alliance of our automotive industry is based on the strict respect of the legal identity and of the culture of each company.

Labor relations are closely linked to the culture of each company and its local legal and regulatory environment. They remain in the specific scope of each of the companies members of the Renault-Nissan Alliance, including companies which are partners of the said Alliance.

It is therefore important to continue to respect the culture of Renault and of Nissan, while complying with the legal provisions in each country where both companies of the Alliance are operating.

Question n. 18:

“How does Renault plan to exercise its responsibility of main shareholder of Nissan in case of occurrence of a major governance crisis within Nissan?”

Answer:

The shareholding of Renault in Nissan is strategic, both from a financial standpoint and because it is one of the key components of the Alliance between Renault and Nissan.

The management of Renault, under the control of the Board of Directors, constantly focused on the management of this shareholding, in line with the corporate interest of Renault.

Question n. 19: [This question is similar to written question n. 1 of IRCANTEC]

“Why was the number of representatives of Renault within the Board of Directors of Nissan reduced from 4 representatives in 2002 to 2 representatives in 2013 whereas Renault’s stake in Nissan remained almost unchanged (rising from 36.8% to 44.3%)?”

Answer:

Renault has, under the latest agreements entered into with Nissan, the ability to appoint a number of directors of Nissan which is equal to the number immediately below half of the non-independent members of the Board of Directors of Nissan.

This is an ability, that Renault is free to exercise or not.

Renault’s position, either within the Board of Directors or at the shareholders’ meeting of Nissan, is considered and respected within the framework of the partnership of equals that the Alliance is.

Question n. 20: [This question is similar to written question n. 2 of IRCANTEC]

“Are they organized exchanges between the Board of Directors of Renault and the representatives of Renault at the Board of Directors of Nissan?”

Answer:

The directors of Renault shall ensure the confidentiality of the information they have access to in the context of their functions. The exchanges between Renault and Nissan take place within the governance bodies of the Alliance and notably with the Management Board of Renault-Nissan BV, between executive officers of both manufacturers.

Questions n. 21 and 22: [These questions are similar to the written questions n. 3 and 4 of IRCANTEC]

“One of the two representatives of Nissan within the current Board of Directors of Renault is Mr. Yamauchi, Chief Competitive Officer of Nissan. Before him, Hiroto Saikawa, who was at that time co-CEO of Nissan, was a director of Nissan until he was appointed as sole CEO of Nissan. On the contrary, neither Mr. Rey nor Mr. Duzan, representatives of Renault within the Board of Directors of Nissan, holds a key strategic position within Renault.

How are the representatives of Renault within the Board of Directors of Nissan selected and appointed?

Wouldn’t it be fairer that the Chief Competitive Officer of the Renault Group be a member of the Board of Directors of Nissan too?”

Answer:

Mr. Saikawa is Chief Executive Officer of Nissan, but does not Chair the Board of Directors.

As regards the representatives of Renault within the Board of Directors of Nissan, they are selected by Renault for their qualities and their ability to efficiently participate to the activities of the Board of Directors of Nissan, in the corporate interest of Renault.

Question n. 23:

“How does the Board of Directors of Renault envisage to now report its shareholders’ hesitations to the Board of Directors and the Shareholders’ meeting of Nissan?”

Answer:

Renault both has representatives within the Board of Directors of Nissan and significant voting rights in Nissan shareholders’ meeting.

Questions n. 24 to 26:

“Does the “Stichting Preference Shares Renault-Nissan” still exist?

What is the composition of the governance bodies of this “Stichting”?

Would it be possible to publish an English version and a French version of the articles of association on the Alliance website?”

Answer:

The Foundation "Stichting Preference Shares Renault-Nissan" does no longer play any role nor does it fulfil any use since French law reinforced obligations incumbent on offeror making a non-solicited public offer on the share capital of companies owning public listed subsidiaries.

This explains why the agreement organizing the foundation mechanism ended in 2012 without being renewed, so that the foundation is left dormant.

Questions n. 27 to 32: Re. the remuneration of the Chief Executive Officer

Question n. 27:

“Has there been any direct or indirect remuneration paid by the Avtovaz group to Mr. Carlos Ghosn since the setting up of the partnership in 2008?”

Answer:

No, Mr. Ghosn did not receive any remuneration from the Avtovaz Group.

Question n. 28:

“The Chief Executive Officers’ aggregate remuneration remains at a stable and high level, which does not seem consistent with the shareholders’ expectations as expressed further to their vote against the 8th resolution “Say-on-Pay” during the 2016 shareholders’ meeting.

Why didn’t the Board of Directors decide to lower this remuneration?”

Answer:

Further to the negative vote on the remuneration components due or awarded to the Chairman and Chief Executive Officer for the financial year 2015, the remunerations committee met on a number of occasions in 2016 in order to determine the reasons why the vote was negative and the shareholders’ expectations regarding the Chairman and Chief Executive Officer’s remuneration components.

To this end, the Remuneration Committee met with shareholders, institutional investors and proxy agencies to obtain a precise and representative opinion of all shareholders on Renault’s remuneration policy. Since the General Meeting of April 29, 2016, more than fifteen meetings have been held with shareholders, which subsequently proved essential to the formulation of the Committee’s recommendations to the Board of Directors.

Furthermore, the Compensation Committee appointed a leading global Human Resources consultancy firm with the task of providing the members of the Committee with an in-depth analysis of compensation policies of similar CAC 40 companies and European or international automotive groups, with a view to gaining a better understanding of current market competition trends.

The Compensation Committee also took into account the exceptional performance achieved by Groupe Renault since the implementation of the “Drive the change” plan.

The remuneration of the Chairman and Chief Executive Officer was revised on these bases.

Questions n. 29 and 30:

“Why didn’t you release in the previous years that Mr. Ghosn was entitled to a pension amounting to EUR 753,012 per year?”

As this amount is high, the company is subject to the additional contribution of 30%.

In such a context of taxation of the high “pension plans”, do you think that keeping this additional pension is then a proper use of the shareholders’ resources?”

Answer:

Renault complies with its communication obligations, and this is in this context that the company informed its shareholders of the amount of the pension which could be paid to Mr. Ghosn Renault for the first time in 2016.

The Board believes that the level of this pension is in line with the functions exercised by Mr. Ghosn and his contribution to the group’s success.

Question n. 31:

“Between 2011 and 2016, the return on equity decreased from 23.3% to 18.20%. For the calculation of the variable remuneration of the Chairman and Chief Executive Officer, the Board of Directors only set the ROE objective at 8% - 10%.

Why was such a low objective level set for the calculation of the variable remuneration due to Mr. Ghosn?”

Answer:

The former Renault Group ROE target of the variable portion of the Chairman and Chief Executive Officer was set at 5%.

Within the framework of its considerations, the Remuneration Committee requested that a detailed analysis be completed in order to propose to the Board of Directors an ambitious and realistic ROE target.

In order to do so, it was assisted by a specialized firm which examined the past ROE performance of the Renault Group and other car manufacturers and the future perspectives. This analysis showed that a level of 8% to 13% was supported by the investors as being a competitive level for future years.

That is why the Remuneration Committee recommended to the Board of Directors a scale from 8% to 10% for the Group Renault ROE target with a trigger threshold at 8%, a payment at 10% with a 10% ROE and a maximum payment of 15% beyond a 10% ROE.

This scale was presented to investors who welcomed the revaluation of the ROE target and noticed that the levels decided by the Board were in line with their expectations.

Question n. 32:

“The same applies to the Free-cash-flow which, between 2011 and 2016, varied between EUR 597 million and EUR 1,007 million, always above the EUR 404 million corresponding to the objective set for awarding the maximum bonus.

Why was such a low objective level set for the Free Cash-Flow for the calculation of the variable remuneration due to Mr. Ghosn?

Answer:

The Free Cash Flow thresholds for the computation of the variable remuneration are determined in line with the budget operating margin targets.

Free cash flow may be considerably affected by the variation in working capital requirements which are volatile and mostly unpredictable.

Questions n. 33 and 34: Re. the Alliance structure

Question n. 33:

“Can you explain precisely what would happen in case of a public offer for one of the Alliance entities, either Renault or Nissan?”

Answer:

See the provisions of article L. 433-3 of the French financial and monetary code as well as the provisions of the General Regulation of the French Financial Market Authority.

Question n. 34: [This question is similar to written question n. 5 of IRCANTEC]

“Article 19.1 of the Articles of association of Renault SAS provides that the Sole Shareholder (i.e. Renault SA) resolves, at the request of the Board of Directors of Renault SAS, on the basis of draft decisions adopted by the later to amend the articles of association.

Which corporate body of Renault SA represents the Sole Shareholder of Renault SAS to resolve on the amendments to the articles of association of Renault SAS? »

Answer:

Renault SA, sole shareholder of Renault SAS, is represented by its legal representative, Mr. Ghosn, as Chief Executive Officer.

As the composition of the Board of Directors of Renault is the same as the composition of the Board of Directors of Renault SAS, amendments which are proposed by the Board of Directors of Renault SAS are adopted by persons who are also members of the Board of Directors of Renault SA.

Questions n. 35 and 36: Re. the “dieseltgate” in connection with the remunerations

“Can you guarantee that Renault did not manipulate the pollution tests?

If such was not the case and fines were imposed, would there be restitution or update of the calculation of the variable remunerations which were previously allocated?”

Answer:

As regards the diesel case, Renault reminds its constant position:

- Renault complies with French and European regulations.
- Renault vehicles are all and have always been homologated in accordance with the laws and regulations. They are compliant with the applicable standards.
- Renault vehicles are not equipped with cheating software affecting anti-pollution systems.
- The States, European Commission, Regulation Authorities and automotive manufacturers all share the opinion that the requirements of the applicable regulations need to be strengthened. This is the purpose of the future Euro6d Regulation.

More generally, the Board of Directors has all the information and requisite powers to carry out successfully its mission of control of the management, in line with Renault's corporate interest.

As regards the remuneration and in the current state of French law, there is no clawback, allowing the restitution or update of the computation of the variable remunerations already allocated.

III. QUESTION N. 37 WAS ASKED BY IRCANTEC

Question n. 37: [This question is close to question n. 16 asked by Phitrust]

“According to the 2015 annual report, men and women who work for Renault form a human capital that the group is committed to protect and develop by exerting its policy of health, security and well-being at work *“in the framework of a tradition of revived social dialogue”*.”

As regards the Renault-Nissan Alliance, it is specified that working for the Renault group also means working within this Alliance and being part of the 430,000 employees who exercise their talents and their competence within the 3rd automotive group in the world. The human resources challenge is presented as a key factor allowing to accompany the growth of the alliance; incidentally, since 2014, there has been a so-called “converged” human resources function allowing a joint management, human resources good practices, for the employees of both Renault and Nissan for certain countries or geographical areas.

Renault already undertook to comply with the principles set within the framework of the Declaration of the International Labour Organization (ILO) of 1998 relating to the fundamental work principles and rights, to promote social dialogue, especially by complying with the principles set by the ILO convention n. 87 of 1948 on freedom of association and protection of the right to organize, as well as the ILO convention n. 98 on the right to organize and collective bargaining, to be included as key criterion for the selection of providers and subcontractors in compliance with the fundamental social rights, while evidencing the advantages of the “permanent local social dialogue” as well as the collective agreements executed in numerous countries.

However, since 2003 in a plant of the Alliance in Canton, in Mississippi, unions and employees condemn non-compliance of these international norms because of practices to discourage the 5,000 US employees working on this site from unionizing and setting up a union section. The US plants, all managed by Nissan, are among the only ones within the Alliance with no union representation, whereas the US market is the world’s largest market for the Renault-Nissan Alliance.

If the development of the Alliance requires the reinforcement of its human capital, don’t you think that pushing forward the compliance of your partner, Nissan, with the international rules and, more specifically, on this question of union presence, which relates to universal public liberty the deprivation of which has a direct impact on the daily life of several thousands of employees within the Mississippi plant, is required, in the corporate interest of Renault SA?

Answer:

The success of the strongest and most sustainable Alliance in our industry is based on the respect of each company’s identity and culture.

Social relationships are closely linked to the company’s culture and the local legal and regulatory environment. Consequently, they remain specific to each company within the Renault Nissan Alliance, including the companies which are partners to the Alliance.

Thus it is important to continue to respect Renault’s and Nissan’s culture, while complying with the legal provisions in each country where both companies of the Alliance are operating.

IV. QUESTION N. 38 WAS ASKED BY INITIATIVE POUR UN ACTIONNARIAT CITOYEN (IPAC)

Question n. 38:

“A few days ago, thirteen European media released information questioning the very attractive tax regime in effect in Malta. RCI Banque has several subsidiaries in this jurisdiction where the Renault group achieves a tiny part of its worldwide sales of vehicles (0.02%).

Could you please specify the profits made in Malta by RCI Banque as well as the tax rate applicable for each of the years 2014, 2015 and 2016?”

Answer:

The 3 companies, RCI Services, RCI Life and RCI Insurance (hereinafter, “**RCI Malta**”) were incorporated to offer insurance solutions covering the risk “Death, Disability and Loss of Employment” in 4 countries (France, Germany, Italy and Spain) in the context of financings granted to clients of the Renault Group.

The consolidated pre-tax profits of RCI Malta in 2014, 2015 and 2016 were, respectively, of EUR 70.9 million, EUR 77.3 million and EUR 100.4 million. The profits of the insurance companies, RCI Life and RCI Insurance, were subject to the normal rate of corporation tax in Malta, i.e. 35%.

Furthermore, when the dividends of its subsidiaries, RCI Life and RCI Insurance, is paid, the company RCI Services benefits, in accordance with the normal tax regime in Malta, of a tax credit which, ultimately, leads to taxing RCI Malta at a rate of 5%.