



# Mixed General Meeting

**Thursday May 4, 2006**

at 3 p.m.

at the CNIT - 2, place de la Défense - 92053 Paris la Défense



**RENAULT**



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# Resolutions

## Agenda of the Mixed General Meeting on May 4, 2006

### As Ordinary General Meeting

- Approval of the consolidated accounts. *(1<sup>st</sup> resolution)*
- Approval of the annual company accounts. *(2<sup>nd</sup> resolution)*
- Appropriation of the results. *(3<sup>rd</sup> resolution)*
- Regulated agreements referred to in Article L. 225-38 of the Commercial Code. *(4<sup>th</sup> resolution)*
- Renewal of the term of office of a director. *(5<sup>th</sup> resolution)*
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- Appointment of a director. *(9<sup>th</sup> resolution)*
- Release of a director from liability as may have arisen in the performance of his duties. *(10<sup>th</sup> resolution)*
- Report of the Statutory Auditors on elements used for the determination of the remuneration of equity loans. *(11<sup>th</sup> resolution)*
- Authorisation granted to the Board of Directors to deal in the Company's own shares on the stock market. *(12<sup>th</sup> resolution)*

### As Extraordinary General Meeting

- Authorisation for the cancellation of the company's shares acquired by the company's itself. *(13<sup>th</sup> resolution)*
- Authorisation to assign the stock option plans for subscription or purchase of shares to some employees. *(14<sup>th</sup> resolution)*
- Authorisation for the free allotment of existing or new shares to employees or to certain categories of employees of the company and its group. *(15<sup>th</sup> resolution)*
- Amendment of article 12 of the Articles of Association. *(16<sup>th</sup> resolution)*
- Amendment of article 6 of the Articles of Association and addition of article 7 to the Articles of Association. *(17<sup>th</sup> resolution)*
- Amendments of articles 19 and 30 of the Articles of Association. *(18<sup>th</sup> resolution)*

### As Ordinary General Meeting

Powers for formalities. *(19<sup>th</sup> resolution)*

# Presentation of the resolutions

Nineteen resolutions are being submitted to the Mixed General Meeting which will be convened on 4 May 2006.

**The Board first of all proposes the adoption of twelve resolutions by the Ordinary General Meeting:**

## Approval of the annual accounts and appropriation of the results

The **first two resolutions** deal with the approval of the consolidated accounts and company accounts for Renault's 2005 financial year.

The presented accounts have been drawn up, in accordance with regulations in force, under IFRS (International Financial Reporting Standards) for the consolidated accounts and in accordance with French statutory and regulatory provisions for the company's annual accounts.

The **third resolution** deals with the appropriation of the company's results for the 2005 financial year and the payment of dividends.

It is proposed that the shareholders approve the distribution of a dividend of 2.40 euros, to be paid in cash on 15 May 2006.

After having virtually doubled between 2001 (0.92 euros) and 2004 (1.80 euros), with this resolution the dividend would once again, for the 2005 financial year, increase by more than 33%. Considering the number of shares in circulation, this distribution would correspond to a total amount of 683.8 million euros.

This proposal conforms to Renault's dividend policy, which aims to promote the value of Renault shares and holders' appreciation of them.

In the context of the announcement of the *Renault Commitment 2009*, the Chief Executive Officer, Mr Carlos Ghosn, stated that Renault's Board of Directors would be asked to submit to the General Meeting of shareholders, each year, a resolution giving a strong and linear increase in the dividend, aiming at 4.50 euros in 2009, i.e. a multiplication of 2.5 between the payments made in 2005 and 2009.

## Regulated agreements

In the context of the day-to-day operation of a company, and especially where the company is the essential element in a group of companies, agreements may arise directly or indirectly between it and another company having the same senior executives or directors, or between the company and its senior executives or directors, or between it and a shareholder holding more than 10% of its share capital. These "regulated agreements" or "regulated conventions" must be authorised in advance by the Board of Directors.

The **fourth resolution** therefore proposes that the General Meeting approve, following the reading of the special report of the Statutory Auditors in accordance with Article L 225-38 of the Commercial Code (see page 20 for more information), the sole regulated agreement which was entered into in 2005.

The purpose of this agreement is to authorise the signature of the Restated Alliance Master Agreement and the amended Articles of Association of

Renault-Nissan b.v. in order to reflect the new governance arising from the dissociation of the office of Chairman of the Board of Directors from that of Chief Executive Officer.

Insofar as Mr GHOSN and Mr SCHWEITZER are the common directors and officers of several of the entities which are party to this agreement, the signature of these documents was submitted to the Board of Directors for its prior approval at its meeting of 29 April 2005, with Mr GHOSN and Mr SCHWEITZER not taking part in the vote.

## Renewal of the terms of office of four directors

The **fifth, sixth, seventh and eighth resolutions** ask you to renew the appointments of Mr Carlos GHOSN, Mr Marc LADREIT de LACHARRIERE, Mr Jean-Claude PAYE and Mr Franck RIBOUD as directors. Their terms of office will thus be renewed for a period of four years and will come to an end at the close of the General Meeting which is to vote on the accounts of the financial year ending on 31 December 2009.

Additional information about the positions held by the Directors is presented on page 14 of this document and taken up in Chapter 5 of the 2005 Reference Document which has been filed with the AMF and put on line on the renault.com website in the Finance section.

- Mr Carlos GHOSN, 52 years old, is Chief Executive Officer of Renault and President and CEO of Nissan.
- Mr Marc LADREIT de LACHARRIERE, 65 years old, is Chairman and Chief Executive Officer of the company FIMALAC and a Member of Renault's Remunerations Committee and its Appointments and Governance Committee.
- Mr Jean-Claude PAYE, 71 years old, is a Barrister (advising lawyer with the law firm Gide Loyrette Nouel) and Member of Renault's Accounts and Audit Committee and its International Strategy Committee.
- Mr Franck RIBOUD, 50 years old, is Chairman and Chief Executive - Chairman of the Executive Committee of the Danone Group, and Chairman of Renault's Remunerations Committee.

On the basis of the criteria adopted to assist the Board in assessing the independence of its members, the Board of Directors at its meeting of 28 February 2006, considered Mr Marc LADREIT de LACHARRIERE, Mr Jean-Claude PAYE and Mr Franck RIBOUD to be independent directors. The consequence is that if the renewal of these three directors is approved by the General Meeting on 4 May 2006, Renault's Board of Directors will comprise eight independent directors.

## Appointment of a new director

The **ninth resolution** concerns the appointment of Mr Hiroto SAIKAWA as director.

Mr Hiroto SAIKAWA would be appointed for a period of four years, meaning until the General Meeting which is to vote on the accounts of the financial year ending on 31 December 2009.

Mr Hiroto SAIKAWA, 53 years old, EVP Purchasing, would be one of the two representatives of Nissan on Renault's Board of Directors, in the place of Mr Carlos GHOSN who sits on the Board of Renault in his personal capacity.

## Release of a director from liability arising in the performance of his duties

In the **tenth resolution**, you are asked to grant full and final release of liability arising in the performance of management tasks by Mr François PINAULT whose term of office came to an end during the financial year ended 31 December 2005.

## Statutory Auditors' report on redeemable shares

The **eleventh resolution** proposes that the General Meeting take formal note of the Statutory Auditors' report on elements used to determine the variable part of the remuneration of redeemable shares (see page 21 for more information). This is tied to the development of Renault's consolidated turnover in 2005 as determined by constant methods with reference to a constant structure. The coupon which will be paid to bearers of Renault redeemable shares on 24 October 2006 shall amount to 20.85 euros, with 10.29 euros representing the fixed part and 10.56 euros representing the variable part.

## Authorisation for the board to purchase the company's own shares

Over 2005, your Company did not acquire any of its own shares pursuant to the authorisation granted by the General Meeting of 29 April 2005. At 31 December 2005 there were 9,539,964 shares held in portfolio, corresponding to 3.35% of the share capital. The Company's holdings of its own shares provide no entitlement to dividends or voting rights.

In the **twelfth resolution**, we propose that you authorise the Board of Directors to put a programme into place for the acquisition of the company's own shares under those conditions and for those purposes laid down by law. This authorisation is given for a maximum period of eighteen months as of this General Meeting, and will substitute itself for the authorisation given at the last General Meeting. This resolution is very similar to the one adopted last year. However, considering the market price attained by Renault's shares (the highest historical level in 2005: 82.45 euros), this resolution has been revised in order to increase the maximum purchase at 100 euros per share (compared to 85 euros last year).

The maximum number of shares which may be acquired is limited to 10% of the share capital and the maximum amount of funds that may be invested in its own shares is 2,849.4 million euros.

See page 27 for a document entitled "programme description", setting out the terms for the buyback of shares.

An overview of these operations will be presented in the special report to be presented to the General Meeting called to vote on the accounts of the 2006 financial year.

**Next, six resolutions are within the powers of the Extraordinary General Meeting:**

## Authorisation to reduce the share capital by cancelling shares

In the **thirteenth resolution**, it is proposed that the General Meeting authorise the Board, for a period of eighteen months, to reduce the registered capital by cancelling shares acquired in the programme for purchase of the company's own shares. The terms for these acquisitions are those defined in the twelfth resolution.

Cancelling shares causes a change in the amount of the registered capital, and consequently a change in the terms of the Articles of Association, which can only be authorised by the Extraordinary General Meeting. The purpose of this resolution is therefore to delegate such powers to the Board.

## Attribution of stock options and gratuitous shares

The next two resolutions are intended to allow Renault to attract and encourage the loyalty of staff, by granting them access to the share capital within a limit of 3.73% over 38 months. Your Company makes not only the attribution but also the exercise of stock options, as well as the acquisition of gratuitous shares, conditional upon meeting individual and collective performance criteria under the *Renault Commitment 2009* medium-term plan. The commitments made in the framework of this plan are described on page 6 of the 2005 Annual Report.

These resolutions follow on from the resolution of the General Meeting of 29 April 2003, about to expire, which authorised a total amount of share purchase or subscription options representing a maximum of 2% of the registered capital over 38 months. The exercise of these share purchase options was not at that time governed by performance criteria.

The **fourteenth and fifteenth resolutions** propose to dividing this possibility into two methods of attribution:

- options for the subscription to or purchase of actions, in a number representing a maximum of 3.2% of the shares making up the registered capital of the Company on the date of this General Meeting.
- gratuitous shares, in a number representing a maximum of 0.53% of the shares making up the registered capital of the Company on the date of this General Meeting.

The gratuitous allotment of shares, as provided for in the **fifteenth resolution**, shall only become definitive at the end of a four-year acquisition period as of the decision by the Board of Directors to allot the shares, as defined in Article L225-197-1 of the Commercial Code, subject to compliance with the conditions for the allotment of shares. It should be noted that once the shares have been definitively allotted, the persons to whom they are allotted will only be able to sell them after conserving the shares for a period of two years.

The gratuitously allotted shares may either be existing shares, or new shares issued by way of a capital increase.

It should be noted that, in accordance with the law, the **fourteenth resolution** confirms the authorisation granted by the General Meeting on 29 April 2005 (eighteenth resolution) for capital increases by the issue of shares reserved to employees, which has not been used to date. This authorisation will remain in force under those conditions laid down in aforementioned resolution.

### | Amendments of the articles of association

The **sixteenth resolution** proposes causing the Articles of Association to evolve in order to allow meetings of the Board of Directors to be held using means of telecommunication which guarantee the effective participation of the directors.

The **seventeenth and eighteenth resolutions** are intended to amend the Articles of Association in order to provide your Company with tools affording it a better reactivity faced with market practices and broadening the delegations of powers that the General Meeting can give, in terms of both their aims and their beneficiaries.

Indeed, your Company intends to make use of the possibility provided by the *Ordonnance* of 24 June 2004, to adapt certain specific terms governing capital increases to market practices.

The **seventeenth resolution** proposes including, in Article 6 of the Articles of Association concerning capital increases, the possibility of making delegations of decision-making powers which correspond better to current market practice. The Articles of Association currently only refer to delegations of implementing powers.

The **eighteenth resolution** proposes deleting Article 19 from the Articles of Association as currently drafted, so that the Chief Executive Officer will henceforth be responsible for issues of bonds on a delegation of decision-making powers from the Board of Directors which, by virtue of the law, has authority in principle in this area.

**The Board finally proposes the adoption of a resolution by the Ordinary General Meeting:**

### | Formalities

The **nineteenth resolution** allows the required publication formalities to be undertaken after the General Meeting.

# Resolutions

## As Ordinary General Meeting:

### First resolution

#### Approval of the consolidated accounts

The General Meeting, having examined the management report from the Board of Directors and the report of the Statutory Auditors on the accounts of the financial year ended on 31 December 2005, hereby approves the consolidated accounts as they have been presented to it, drawn up pursuant to Articles L 233-16 et seq. of the Commercial Code, showing net profits of 3,453,222,000 euros.

### Second resolution

#### Approval of the annual company accounts

The General Meeting, having examined the management report from the Board of Directors and the report of the Statutory Auditors on the accounts of the financial year ended 31 December 2005, hereby approves, as they have been presented, the accounts for this financial year showing profits of 581,254,313.75 euros. It also approves the operations evidenced by these accounts or summarised in these reports.

As a consequence, the General Meeting releases the Directors from any liability to which they may have been subject in the performance of their duties for the ended financial year.

### Third resolution

#### Appropriation of the results

The General Meeting hereby decides to appropriate the results of the financial year as follows:

Profits from the financial year	581,254,313.75
Allocation to the statutory reserves	–
Remainder	581,254,313.75
Previous carry forward	6,123,488,222.94
Distributable profits for the financial year	6,704,742,536.69
Dividends	683,849,083.20
New carry forward	6,020,893,453.49

A net dividend of 2,40 euros will therefore be distributed to each of the shares in the Company entitled to dividends, provided entitlement where the beneficiaries are natural persons domiciliated in France:

■ On one hand, to 40% tax reduction, (in accordance with Article 158-3-2° of the *Code général des impôts* [General Tax Code] in its new drafting);

■ On the other hand, to a fixed tax reduction from an amount of 1,525 euros, for single, divorced, widower and married persons which are separately tax liable and 3,050 euros for individuals jointly tax liable, married or linked by a "pacs". (In accordance with the new provisions of article 158-3-5° of the *Code général des impôts* [General Tax Code]).

The dividend shall be payable the 15<sup>th</sup> May of 2006.

In the event that on this date the Company should hold some of its own shares, the amount corresponding to the dividend not paid out shall be appropriated to the carry forward account.

In addition, the General Meeting acknowledges that, over the last three financial years, the following dividends have been paid out.

(in €)

Financial Year	Dividend per share	Tax credit per share	Global income per share
2002	1.15	either 0.58 or 0.17	either 1.73 or 1.32
2003	1.40	either 0.70 or 0.21	either 2.10 or 1.61
2004	1.80	no tax credit	

### Fourth resolution

#### Regulated agreements referred to in Article L. 225-38 of the Commercial Code

The General Meeting, after having heard the reading of the report of the Statutory Auditors on agreements referred to in Article L 225-38 of the Commercial Code, and deciding on the basis of this report, hereby approves each of these agreements referred to therein.



#### Fifth resolution

##### Renewal of the term of office of a director

The General Meeting hereby renews the term of office of Mr. Carlos GHOSN as Director, for a term of four years, i.e. until the General Meeting deciding on the accounts of the financial year ending 31 December 2009.

#### Sixth resolution

##### Renewal of the term of office of a director

The General Meeting hereby renews the term of office of Mr. Marc LADREIT de LACHARRIERE as Director, for a term of four years, i.e. until the General Meeting deciding on the accounts of the financial year ending 31 December 2009.

#### Seventh resolution

##### Renewal of the term of office of a director

The General Meeting hereby renews the term of office of Mr Jean Claude PAYE as Director, for a term of four years, i.e. until the General Meeting deciding on the accounts of the financial year ending 31 December 2009.

#### Eighth resolution

##### Renewal of the term of office of a director

The General Meeting hereby renews the term of office of Mr Franck RIBOUD as Director, for a term of four years, i.e. until the General Meeting deciding on the accounts of the financial year ending 31 December 2009.

#### Ninth resolution

##### Appointment of a director

The General Meeting hereby appoints Mr. Hiroto SAIKAWA as Director, for a term of four years, i.e. until the General Meeting deciding on the accounts of the financial year ending 31 December 2009.

#### Tenth resolution

##### Release of a director from liability as may have arisen in the performance of his duties

The General Meeting hereby grants full and final release of Mr François PINAULT, whose term of office has ended during the financial year ending 31 December 2005.

#### Eleventh resolution

##### Report of the Statutory Auditors on elements used for the determination of the remuneration of redeemable shares

The General Meeting takes note of the report of the Statutory Auditors on elements used for the determination of the remuneration of redeemable shares.

#### Twelfth resolution

##### Authorisation granted to the Board of Directors to deal in the Company's own shares on the stock market

The General Meeting, having examined the report from the Board of Directors, authorises the Board of Directors, pursuant to the provisions of Article L. 225-209 of the Commercial Code, to deal in the Company's own shares under the conditions and within the limits set forth in law and regulations. The purpose of this authorisation is to allow the Company to make use of the possibilities accorded by the provisions of the law for dealing in its own shares, in particular in order to:

- use all or part of the shares acquired in order to transfer them to the employees and directors of the Company and of its group, under those terms and conditions laid by law; (including particularly the free allotment of shares).
- deliver its shares for the exercise of rights attached to securities which provide entitlement, either by conversion, exercise, redemption or exchange, to the attribution of shares in the Company, in the framework of stock market regulations;
- animate and maintain the secondary market or the liquidity of Renault's shares through an Investment Services Provider via a liquidity agreement in accordance with the good trade practices charted recognised by the *Autorité des marchés financiers* [French financial markets authority];
- use all or part of the shares acquired for conservation and later delivery as exchange or as payment in the context of external growth operations;



- cancel them, subject to the adoption of the thirteenth resolution by the Mixed General Meeting;
- use any practice that could be authorised by the “*Autorité des Marchés Financiers*” (the French financial markets authority), and in general exercise any allowed transaction.

These purchases of shares may be undertaken by all means, including in over-the-counter sales and by block of shares, and through the use of financial derivatives, and at such times as the Board of Directors may think fit, and the shares so acquired may be sold or transferred by any means, in compliance with regulations in force.

The General Meeting fixes the maximum purchase price at 100 euros per share, on the one hand, and the maximum number of shares that may be acquired at 10% of the registered capital, on the other hand, considering that this limit is applicable to the amount of the registered capital which, if necessary, will be revised, in order to consider the transactions affecting the capital which could take place after this General Meeting. The total amount that the company may dedicate for the acquisition of its own shares may not exceed 2,849,371,180 euros.

The number of shares acquired by the Company in view of its conservation or exchange in the frame of an operation of merger, scission or of contribution must not exceed 5% of its capital.

In the event of a capital increase by incorporation of reserves, by a free allotment of shares, an increase of share nominal value or in the event of either a division or consolidation of shares or any other transaction related to shareholders equity, the prices indicated hereinabove shall be adjusted by a multiplying ratio equal to the ratio between the number of shares making up the registered capital prior to the operation and this number after the operation.

The General Meeting notes that the shareholders shall be informed, at the next Annual General Meeting, of the precise allotment of acquired shares to the various pursued aims for all acquisitions of the company's own shares.

The General Meeting decides that this authorisation may also be used during a period of public purchase and/or exchange offer, as well as for a share price guarantee procedure, in compliance with regulations in force.

This authorisation is granted for a duration which shall end on the next Annual General Meeting for the approval of the accounts, without however exceeding a maximum duration of eighteen months. All powers are hereby granted to the Board of Directors, with the possibility of sub-delegation, in order to make all stock market orders, conclude any and all agreements, draw up all documents including notably for information purposes, proceed with all formalities and declarations with respect to all bodies and, in general, do all that is necessary.

## As Extraordinary General Meeting:

### Thirteenth resolution

#### Authorisation for the cancellation of the company's shares acquired by the company's itself

The General Meeting, after having examined the report from the Board of Directors and the special report of the Statutory Auditors, authorises the Board of Directors, pursuant to Article L 225-209 of the Commercial Code, with the possibility to sub-delegate such authorisation:

- to cancel, on one or more occasions, any shares acquired through the implementation of the authorisation granted in the twelfth resolution submitted to this General Meeting, or any resolution which may be substituted for the same, up to a limit, within any period of twenty-four months, of 10% of the total number of shares making up the registered capital at the time of such operation, and, correlatively, to reduce the registered capital by applying the amount of the difference between the redemption value of the shares and their par value against any issue premium item or reserve item in the accounts;
- to amend the Articles of Association as a consequence and fulfil all necessary formalities.

This authorisation has been granted for a period, which shall end at the next Annual General Meeting called to approve the accounts, without however exceeding a maximum duration of eighteen months.

### Fourteenth resolution

#### Authorisation to assign the stock option plans for subscription or purchase of shares to some employees

The General Meeting, after having examined the report from the Board of Directors and the special report from the Statutory Auditors, hereby authorises the Board of Directors, pursuant to Article L 225-177 of the Commercial Code, to grant, on one or more occasions, in favour of certain employees in the Company and its Group which are bound to it under those conditions referred to in Article L 225-180 of the Commercial Code, stock options providing entitlement to the subscription of new shares in the Company issued by way of a capital increase, or the purchase of shares in the Company as acquired by the company itself under statutory and regulatory conditions.

The General Meeting, in addition, hereby authorises the Board of Directors, pursuant to Article L 225-185 of the Commercial Code, to grant said options to the Chief Executive Officer, and to the Deputy Chief Executives.

The Board of Directors shall have a period not exceeding thirty-eight months as of the date of this General Meeting, in order to use this authorisation on one or more occasions.

The total number of stock options which may be granted in this way may not provide entitlement to the acquisition of a number of shares which is greater than 3,2% of the amount of the shares making up the registered capital on the date hereof.

Moreover, the General Meeting hereby takes note that, pursuant to Article L 225-178 of the Commercial Code, this authorisation includes, for the beneficiaries of options for subscription, the express waiver by the shareholders of their preferential subscription right for shares issued progressively with the exercise of options.

As of the date of attribution of stock options by the Board of Directors, the beneficiaries of these options shall have a minimum period of four years and a maximum of eight years to exercise this option. After this period is expired, the stock option shall lapse definitively.

The following may not benefit from stock options: company officers and members of staff of the Company and of Groups which are connected under those conditions referred to in Article L 225-180 of the Commercial Code, who hold more than 10% of the registered capital of the Company.

The price to be paid on exercise of a subscription option by the beneficiaries shall be determined on the date on which the stock options are granted by the Board of Directors. The share subscription price shall be equal to the average of weighted average market price over the twenty stock market sessions preceding date on which the option is granted, and not less than 80% of the average (market price) of the last twenty stock market sessions preceding date on which the option is granted.

No option may be granted less than twenty stock market sessions after the detachment of a coupon providing entitlement to dividends or capital increase.

The price to be paid on exercise of a purchase option by the beneficiaries shall be determined on the day on which options are granted by the Board of Directors. The share purchase price shall be equal to the average of weighted average market price over the twenty stock market sessions preceding date on which the option is granted, and not less than 80% of the average purchase price of shares previously acquired by the company itself pursuant to Articles L 225-208 and L 225-209 of the Commercial Code. No option may be granted less than twenty stock market sessions after the detachment of a coupon providing entitlement to dividends or capital increase.

No option may be granted:

- within a period of ten stock market sessions preceding and following the date on which the consolidated accounts, or in their absence the company accounts, were made public.
- during the period between the date on which the corporate decision-making bodies became aware of information which, if it were made public, could have a significant effect on the market price of the Companies shares, and the date which follows ten stock market sessions after the date on which said information was made public.

The General Meeting expressly submit the attribution and /or the exercise of options for subscription or purchase of shares to the achievement of individual and common performance criteria in execution of the mid-term plan of the Company.

In the event of departure from the Company, and in the absence of a decision to the contrary, the employee will lose the benefit of options of purchase or subscription attributed to him or her, which have not been exercised.

The Board of Directors is hereby granted all powers within the above limits in order to determine all of the terms and conditions of the operation, including in particular:

- to fix the date of opening and exercising of options;
- to adopt the list of beneficiaries;
- to appreciate the achievement of the performance criteria fixed by the General Meeting, under which the options will be granted, and to add, whether necessary, all conditions or criteria, which it might consider suitable, to fix the amount of shares concerned by them;
- to decide on the conditions under which the price or number of shares may be adjusted in order to take account of financial operations undertaken by the Company and, where necessary, the conditions under which the exercise of options may be suspended;
- to draw up the regulations for the stock option plan or the notice which shall fix the purchase price and terms under which the beneficiaries of these options may exercise their rights;
- to proceed with all acts and formalities in order to make the corresponding capital increase(s) arising under the authorisation provided in this resolution definitive, and to make the correlative amendments to the Articles of Association.

- on its simple decision, if it thinks fit, to apply the expenses of the capital increases against the amount of issue premiums pertaining to these capital increases and to deduct the necessary sums from this amount in order to increase the statutory reserve to one tenth of the new registered capital after each capital increase;
- and, generally, to do all that is necessary.

The Board of Directors shall inform the Annual General Meeting each year as to operations undertaken under this resolution.

Whether is necessary and in order to satisfy the provisions of article L 225-129-6 of the Commercial Code, the General Meeting herein confirm that the delegation given to the Board of Directors to increase the registered capital by the issue of shares reserved to employees, in accordance to article L 443-5 of the Employees Code by the eighteenth resolution adopted by the General Meeting of April the 29 of 2005 which have not been exercised, keep in force in accordance to the conditions provided in the said eighteenth resolution.

### Fifteenth resolution

#### **Authorisation for the free allotment of existing or new shares to employees or to certain categories of employees of the company and its group.**

The General Meeting, after having examined the report from the Board of Directors and the special report from the Statutory Auditors, hereby delegates the necessary powers to the Board of Directors pursuant to article L 225-197-1 of the Commercial Code, in order to proceed in favour of the employees of the Company and its Group, or to certain categories of them, to the free allotment of existing shares, under the conditions provided in article L 225-197-2 of the Commercial Code.

The General Meeting also authorise the Board of Directors in accordance to article 225-197-1 II to consent the said shares to the Deputy Chief Executives under the same conditions applicable to the other employees.

The Board of Directors shall have a period not exceeding thirty-eight months as of the date of this General Meeting, in order to use this authorisation on one or more occasions.

The total number of shares, which may be freely granted, shall not be greater than 0,53% of the amount of the shares making up the registered capital on the date hereof.

The General Meeting expressly submit the definitive allotment of free shares to the achievement of individual and common performance criteria in execution of mid-term plan of the Company.

The allotment of shares to its beneficiaries will become definitive after a minimum period of acquisition of four years.

Rights arising from the free allotment of shares will not be transferable until the end of the acquisition period.

As of the date of allotment of shares by the Board of Directors, the beneficiaries of these shares will have the obligation to hold the shares for a period of two years.

The following may not benefit from the free allotment of shares: company officers and members of staff of the Company and its Group, which are connected under those conditions, referred to in Article L 225-197-2 of the Commercial Code, who individually holds more than 10% of the registered capital of the Company. This free allotment of shares shall not result in individual employees and executives holding more than 10% of the share capital

Moreover, the General Meeting hereby takes note that, this authorisation includes, for the beneficiaries of the free allotment of shares, the express waiver by the shareholders of their preferential subscription right for shares issued progressively with the exercise of options.

In the event of departure from the company, and in the absence of a decision to the contrary, the employee will lose the benefit of the shares attributed to him or her and that he or her have not transferred.

The Board of Directors is hereby granted all powers within the above limits in order to determine all of the terms and conditions of the operation, including in particular:

- to proceed to the free allotment of shares.
- to adopt the list of beneficiaries, the number of ordinary shares to be allotted to each one, the way of allotment of ordinary shares, and in particular the allotment period and the holding period of ordinary shares.
- to appreciate the achievement of the performance criteria fixed by the General Meeting, under which the shares will be allotted, and to add, whether necessary, all conditions or criteria, which it might consider suitable, to fix the amount of shares concerned by them;
- to proceed, pursuant to the terms that it will determinate, during the period of assignation of the allocated shares, to do any adjustment in order to take into account the impact that this transactions may have over the registered capital, and particularly to decide the conditions under which the number of ordinary shares will be adjusted.

- to proceed with all acts and formalities in order to make the corresponding capital increases(s) arising under the authorisation provided in this resolution definitive and to make the correlative amendments to the articles of Association;
- on its simple decision, if it thinks fit, to apply the expenses of the capital increases against the amount of issue premiums pertaining to these capital increases and to deduct the necessary sums from this amount in order to increase the statutory reserve to one tenth of the new registered capital after each capital increase;
- and, generally, to do all that is necessary.

The Board of Directors shall inform the Annual General Meeting each year as to operations undertaken under this resolution.

### Sixteenth resolution

#### Amendment of article 12 of the Articles of Association

The Extraordinary General Meeting, after having examined the report from the Board of Directors decides, pursuant to Act n° 2005- 842 of July the 26th of year 2005, to include in article 12 of the Article of Association related to meetings and deliberations of the Board of Directors, the authorisation to hold Board of Directors meetings via telecommunication means ensuring the effective attendance of the directors.

### Seventeenth resolution

#### Amendment of article 6 of the Articles of Association and addition of article 7 to the Articles of Association

The Extraordinary General Meeting, after having examined the report from the Board of Directors, hereby decides:

- to delete the last paragraph of article 6 of the Articles of Association.
- to add an article 7 to the Articles of Association in order to precise the practices related to the capital increase in accordance to the provisions of the *Ordonnance* n° 2004-604 of June the 24th of year 2004 and to make the correlative amendments to the Articles of Association.

### Eighteenth resolution

#### Amendments of articles 19 and 30 of the Articles of Association

The Extraordinary General Meeting, after having examined the report from the Board of Directors decides to:

- delete article 19 of the Articles of Association pursuant to the provisions of the *Ordonnance* n° 2004-604 of June the 24th of year 2004 and to amend where necessary the subsequent articles.
- delete correlatively the last paragraph of article 30 of the Article of Association.

## As Ordinary General Meeting:

### Nineteenth resolution

#### Powers for formalities

The General Meeting confers all powers on the bearer of a copy or an extract of the minutes of this Meeting in order to proceed with all necessary filing and publication formalities as provided for by law.

# Corporate Governance and Board of Directors

## Board of Directors of Renault

■ **Louis SCHWEITZER**  
Chairman of the Board of Directors

■ **Carlos GHOSN**  
Chief Executive Officer

■ **Yves AUDVARD**  
Director elected by the employees

■ **Michel BARBIER**  
Director elected by the employees

■ **Alain CHAMPIGNEUX**  
Director elected by the employees

■ **François de COMBRET\***  
Senior Advisor for UBS

■ **Charles de CROISSET\***  
Vice-Chairman of Goldman Sachs Europe

■ **Jean-Louis GIRODOLLE**  
Inspector of Public Finances  
Sub-Director of the Treasury and Economic Policy Department  
Ministry of the Economy, Finance and Industry

■ **Itaru KOEDA**  
Co-Chairman of the Board of Directors and  
Executive Vice-President of Nissan Motor Co. Ltd

■ **Marc LADREIT de LACHARRIERE\***  
Chairman and Chief Executive Officer of FIMALAC

■ **Dominique de La GARANDERIE\***  
Barrister  
Law firm La Garanderie & Associés

■ **Bernard LARROUTOUROU**

■ **Henri MARTRE\***  
Honorary Chairman of Aérospatiale

■ **Jean-Claude PAYE\***  
Barrister

■ **Franck RIBOUD\***  
Chairman and Chief Executive Officer  
Chairman of the Executive Committee of the Danone group

■ **Georges STCHERBATCHEFF**  
Director elected by the employee shareholders

■ **Robert STUDER\***  
Former Chairman of Union des Banques Suisses

*\* Independent Directors*

## Information concerning those directors whose renewal is submitted to the General Meeting



### Carlos GHOSN

**Chief Executive Officer**

Date of birth: 9 March 1954.

**Number of shares held:** 1,700.

*Term of office start / end dates: November 2002/AGM 2006;  
Date of first appointment: April 2002.*

**Chairman of the Directorate (Management Board):** Renault Nissan b.v.

**Abroad:**

**Chairman and Chief Executive Officer:** Nissan Motor Co., Ltd.

**Director:** Alcoa, Nissan Motor Co., Ltd.

**Career:**

1990: Chairman and Chief Executive of Michelin North America.

1996: Executive Vice President, Renault.

1999: Chief Executive Officer of Nissan.

2000: Chairman of Nissan.

2001: Chairman and Chief Executive Officer of Nissan.

2005: Chief Executive Officer of Renault.



### Marc LADREIT de LACHARRIERE

**Chairman and Chief Executive Officer of Fimalac**

Date of birth: 6 November 1940.

**Number of shares held:** 1,020.

*Term of office start / end dates: October 2002/AGM 2006.  
Date of first appointment: October 2002.*

**Member of the Remunerations Committee of Renault.**

**Member of the Appointments and Governance Committee of Renault.**

**France:**

**Honorary President:** Comité national des conseillers du commerce extérieur de la France.

**Director:** Casino, Cassina, L'Oréal.

**General partner:** Groupe Marc de Lacharrière.

**Manager:** Fimalac Participations.

**Member of the Consultative Committee:** Banque de France.

**Member of the Board of public-interest institutions or associations:** Conseil Artistique des Musées Nationaux, Fondation Bettencourt Schueller, Fondation Nationale des Sciences Politiques, Musée du Louvre, Société des Amis du Musée du quai Branly.

**Member:** Académie des Beaux-Arts.

**Member:** Institut de France.

**Abroad:**

**Chairman of the Board:** Fitch Ratings, Fimalac Inc.

**Member of the Board:** American Friends of the Louvre.

**Chairman:** Fitch Group.

**Career:**

Started with *Banque de Suez* et de *l'Union des Mines* which was to become *Banque Indosuez*. He left this establishment in 1976 when he was Business Department Director, in order to join *l'Oréal* as Financial Director, and progressively became Deputy Chairman and Chief Executive. In 1991, he left *l'Oréal* in order to create his own enterprise, *Fimalac*, a diversified group for services to enterprises, listed on the Paris stock market.



### Jean-Claude PAYE

**Barrister**

**Counsel of the law firm Gide Loyrette Nouel**

Date of birth: 26 August 1934.

**Number of shares held:** 20.

*Term of office start / end dates: April 2002/AGM 2006.  
Date of first appointment: July 1996.*

**Member of the Accounts and Audit Committee of Renault.**

**Member of the International Strategy Committee of Renault.**

**Career:**

1984-1996: Secretary General of the Organisation for Economic Cooperation and Development (OECD).

1996-2000: External mission member of the Conseil d'État.

2001: Barrister, Counsel of the law firm Gide Loyrette Nouel.



### Franck RIBOUD

**Chairman and Chief Executive Officer**

**Chairman of the Executive Committee of the Danone group**

Date of birth: 7 November 1955.

**Number of shares held:** 331.

*Term of office start / end dates: December 2000/AGM 2006.  
Date of first appointment: December 2000.*

**Chairman of the Remunerations Committee of Renault.**

**France:**

**Chairman of the Board:** Compagnie Gervais Danone, Générale Biscuit.

**Director:** Association nationale des Industries Agroalimentaires, Danone SA, L'Oréal, SOFINA.

**Member of the Supervisory Board:** Accor.

**Member representing Danone Group:** Conseil National du Développement Durable.

**Abroad:**

**Chairman and Director:** Danone Asia Pte Limited.

**Director:** Bagley Latinoamerica sa, International advisory Board HEC, Wadia BSN India Limited, Ona, Quiksilver.

**Career:**

**With the ESN Group, since become Danone, since 1994.**

1990 - 1992: Chief Executive of Société des eaux minérales d'Evian.

1992 - 1994: Director of the Development Department of the ESN group.

1996: Chairman and Chief Executive of Danone group.

## Director appointed by the General Meeting



### Hiroto SAIKAWA

**Executive Vice president Purchasing, Nissan Motor Co., Ltd.**

**Date of birth:** November 14, 1953.

**Education:** Graduated from the Faculty of Economics, Tokyo University.

#### Career Profile:

**1977:** Joined Nissan Motor Co., Ltd.

**1999:** Nissan Europe N.V.

**2000:** General Manager of Purchasing Strategy Dept. - Nissan Motor Co., Ltd.

**2001:** Renault Nissan Purchasing Organization  
Executive General Manager.

**2003:** Senior Vice-President in charge of Purchasing Administration.  
Dept., Materials and Machinery Purchasing Dept., Purchasing.  
Engineering Support Dept., Parts Purchasing Dept.  
Support/Services Purchasing Dept.

**2004:** Senior Vice-President in charge of Purchasing Administration  
Dept., Purchasing Engineering Support Dept.  
Service Support Purchasing Dept.

**2005:** Executive Vice-President supervising Purchasing.  
Chairman, Management Committee, Europe.



# Auditors

## Statutory Auditors

### ■ DELOITTE & ASSOCIATES

Represented by Mrs Pascale Chastaing-Doblin and M. Amadou Raimi  
185, avenue Charles de Gaulle  
92200 Neuilly sur Seine

### ■ ERNST & YOUNG Audit

Represented by MM. Jean-François Bélogey and Daniel Mary-Dauphin  
11, Allée de l'Arche  
92400 Courbevoie

## Alternate auditors

### ■ BEAS

Alternate for DELOITTE & ASSOCIATES  
7-9 Villa Houssay  
92200 Neuilly sur Seine

### ■ Gabriel GALET

Alternate for ERNST & YOUNG Audit  
11, Allée de l'Arche  
92400 Courbevoie



# Statutory Auditors' reports

## Statutory auditor's report on the consolidated financial statements

Year-ended December 31, 2005

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing*

*matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders

In accordance with our appointment as Statutory Auditors by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Renault for the year ended December 31, 2005.

The consolidated financial statements have been prepared by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit. These financial statements have been prepared for the first time in accordance with IFRSs as adopted by the EU. They include comparative information restated in accordance with the same standards in respect of financial year 2004.

### Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2005 and of the results of its operations for the year then ended in accordance with IFRSs as adopted by the EU.

### Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters.

As indicated in note 14-A to the consolidated financial statements, the group accounts for its investments in Nissan under the equity method; our audit of the consolidation scope included a review of the de facto and de jure observed with regard to the Alliance and used as the underlying basis for the accounting method adopted by the Renault group.

For the purpose of preparing the consolidated financial statements, Renault group management makes certain estimates and assumptions concerning primarily the impairment of tangible and intangible fixed assets, sales financing receivables, deferred taxes and provisions - in particular the warranty provisions. As regards to assets, the Renault group used planning tools and multi-annual financial plans, the various components of which (cash flows and forecasted taxable income, in particular) are used to ascertain the recoverable value of tangible and intangible fixed assets. In order to estimate

provisions, Renault used internal or external expert reports, particularly in respect of warranties, which are based on statistics concerning technical incidents. For all such estimates, we reviewed the available documentation and we assessed the reasonable nature of the assessments made.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

### Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 7, 2006

The Statutory Auditors  
*French original signed by*

DELOITTE & ASSOCIES



P. Chastaing-Doblin

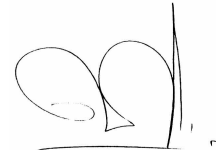


A. Raimi

ERNST & YOUNG Audit



J.F. Bêlorgey



D. Mary-Dauphin

# Statutory auditor's report on the financial statements of the parent company only

Year-ended December 31, 2005

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These*

*assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders

In accordance with our appointment as Statutory Auditors by your annual general meeting, we hereby report to you, for the year ended December 31, 2005:

- the audit of the accompanying financial statements of Renault, parent company only,
- the justification for our assessments,
- the specific verification and disclosures required by law.

These financial statements have been prepared by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

## Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2005 and of the results of its operations for the year then ended in accordance with French accounting regulations.

## Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

As indicated in note 1.B.a to the financial statements and pursuant to the Conseil national de la comptabilité (French National of Accounting Council) opinion n°34, Renault has elected to account for its investments in controlled subsidiaries using the equity method. Investments eligible under this option are those of Renault s.a.s., Dacia and Sofasa. The accounting of these investments using the equity method has a positive impact on the Renault Shareholder's equity of € 3,925 million as of December 31, 2005.

The equity value of these investments is calculated in accordance with the accounting policies and methods used to prepare the group's consolidated financial statements. Our assessment of this equity value was based on the conclusions of the procedures performed as part of the audit of the group's 2005 consolidated financial statements.

These assessments were made in the context of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

## Specific verification and disclosures

We have also performed the other procedures required by law in accordance with professional standards applicable in France.

We have no matters to report regarding the fair presentation and consistency with the financial statements of the information given in the Board of Director's report in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Pursuant to the French law, we have verified that the Board of Director's report contains the appropriate disclosures as to the acquisition of participating and controlling interest and as to the identity of shareholders (percentage of interest and voting rights).

Neuilly-sur-Seine and Paris-La Défense, March 7, 2006

The Statutory Auditors  
French original signed by

DELOITTE & ASSOCIES

P. Chastaing-Doblin

A. Raimi

ERNST & YOUNG Audit

J.F. BÉLORGEY

D. Mary-Dauphin

# Special report of the Statutory Auditors on related party transactions as defined by French law

*This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should*

*be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of Renault, we are required to report on certain contractual agreements with certain related parties.

Pursuant to Article L. 225-40 of French Company Law (Code de commerce), we have been advised of certain contractual agreements which were authorized by your Board of Directors.

We are not required to ascertain whether any other contractual agreements exist but to inform you, on the basis of the information provided to us, of the terms and conditions of agreements indicated to us. It is not our role to comment as to whether they are beneficial or appropriate. It is your responsibility, under the terms of Article 92 of the March 23, 1967 Decree to assess the benefits resulting from these agreements prior to their approval.

We conducted our work in accordance with professional standards applicable in France. Those standards require that we perform the necessary procedures to verify that the information provided to us is consistent with the documentation from which it has been extracted.

## Authorization to sign various agreements relating to the Alliance

*Board members concerned : Messrs L. Schweitzer et C. Ghosn*

On April 29, 2005, your Board of Directors gave the authorization to the Chief Executive Officer to sign of the Restated Alliance Master Agreement, the Renault-Nissan b.v. statutes and the statutes of the Fondation Stichting Preference Shares Renault-Nissan modified in order to take into account the new corporate governance following the function separation of Chairman of the Board ("Président du Conseil d'Administration") and Chief Executive Officer ("Directeur Général").

In accordance with the March 23, 1967 Decree, we have been advised that the following agreements, approved in prior years, remained effective in the year ended December 31, 2005.

### Loan agreement between Renault and Cogera

A loan agreement has been signed between your company and Cogera, a subsidiary of RCI Banque (controlled by Renault), for the purpose of granting Cogera a loan for an amount of € 450,000,000, to be used by to refinance its banking activities and enable RCI Banque to reduce its "major Risks" ratio as defined in Article 1.1 of regulation n°. 93-05 of the French banking and Financial Regulations Committee (Comité de la réglementation bancaire et financière), calculated on a consolidated basis. In 2005, the interest amount relating to this agreement is € 342,000.

### Agreements with Renault s.a.s.

#### a - Contracting-our agreements

Contracting-out agreements were entered into between your company and Renault s.a.s. within the scope of a transaction to refinance loans granted under the 1% construction scheme (French social construction tax), in particular, for the purpose of strengthening the liquidity of these non-interest bearing loans and to freeze the cost of their refinancing up to the maturity date in 2020 at current, exceptionally low interest rates.

#### b - Services contract

Services contract was signed between your company and Renault s.a.s. Pursuant to this contract Renault s.a.s. performs legal, accounting, tax, customs and financial services allowing Renault to fulfill its legal obligations. In 2005, Renault s.a.s. has invoiced € 3,268,000 according to these services.

Neuilly-sur-Seine and Paris-La Défense, March 7, 2006

The Statutory Auditors  
French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

P. Chastaing-Doblin

A. Raimi

J.F. Bélorgey

D. Mary-Dauphin

# Report of the Statutory Auditors regarding the data used to calculate the remuneration of the redeemable shares

*This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers.*

*This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.*

To the Redeemable Shares Holders,

In our capacity as Statutory Auditors of Renault, and in accordance with the requirements of Article L. 228-37 of French Company Law (Code de commerce), we hereby report to you regarding the data used to calculate the remuneration of the redeemable shares.

On March 7, 2006, we issued our Statutory Auditors' reports on the annual financial statements and on the consolidated financial statements for the year ended December 31, 2005.

The data used to calculate the remuneration of the redeemable shares have been determined by Renault management. Our responsibility is to consider whether the method is in conformity with the issuance agreement and whether the data used are consistent with the audited consolidated financial statements from which they are derived.

The data used which have been communicated to us are as follows:

The remuneration of the redeemable shares includes a variable portion which is calculated as follows:

$$\text{Variable portion of the previous "coupon"} \times \frac{\text{Consolidated revenues for the current financial year}}{\text{Recalculated consolidated revenues for the previous financial year applying Group structure and accounting methods for the current financial year}}$$

The ratio of revenues is rounded off to three decimal places.

Regarding the interest payment "coupons" which will be made on October 24, 2006, the data used to calculate this amount as communicated to us are as follows:

- Variable portion of previous interest payment "coupon" (in €): 10.36
- 2005 consolidated revenues (in millions of €): 41,338
- Recalculated 2004 consolidated revenues applying 2005 Group structure and accounting methods (in millions of €): 40,565
- Variable portion of the interest payable as at October 24, 2006 (in €): 10.56

We conducted our work in accordance with professional standards applicable in France. Those standards require that we consider whether the method is in conformity with the issuance agreement and whether the data used are consistent with the audited consolidated financial statements from which they are derived.

We have no matters to report with respect to the conformity and consistency of the data used to calculate the remuneration of the redeemable shares.

Neuilly-sur-Seine and Paris-La Défense, March 7, 2006

The Statutory Auditors  
*French original signed by*

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

P. Chastaing-Doblin

A. Raimi

J.F. Bélorgey

D. Mary-Dauphin

# Special report of the Statutory Auditors on various financial operations concerning the share capital

## Mixed (Joint Ordinary and Extraordinary) General Meeting of 4 May 2006

Ladies and Gentlemen,

In our capacity as Statutory Auditors of your company, we present our reports on the various operations that you are being called to vote upon.

### **Report on the authorisation to cancel purchased holdings of the company's own shares (13<sup>th</sup> resolution)**

In the performance of the tasks provided for in Article L.225-209 of the Commercial Code in the event of a capital reduction by cancelling purchased holdings of the company's own shares, we have drafted this report which is intended to inform you of our assessment as to the causes and conditions of the contemplated capital reduction.

We have conducted our work in accordance with professional standards applicable in France. These standards require us to take steps to examine whether the causes and conditions of the envisaged capital reduction are legitimate.

This operation enters within the framework of your company's acquisitions of its own shares, within a limit of 10% of its share capital, under those conditions laid down in Article L.225-209 of the Commercial Code. Moreover, this authorisation for acquiring its own shares is being submitted for approval by your General Meeting (12<sup>th</sup> resolution) and will be given for a period ending at the next annual General Meeting called to approve the accounts, without this exceeding a period of eighteen months.

Your Board of Directors is asking you to delegate all powers to it, as part of the implementation of the Company's authorisation to purchase its own shares, in order to cancel the shares thus acquired up to the limit of 10% of the share capital in any period of twenty-four months. These powers shall be delegated to it for a period ending at the next annual General Meeting called to approve the accounts, without this exceeding a period of eighteen months.

We have no observations to make as to the causes and conditions of the envisaged capital reduction, it being recalled that such a capital reduction can only be undertaken insofar as your General Meeting first approves the operation for your company to acquire its own shares.

### **Report on the opening of options for subscription to or purchase of shares in favour of certain employees (14<sup>th</sup> resolution)**

In the performance of the tasks provided for in Article L.225-177 of the Commercial Code and Article 174-19 of the Decree of 23 March 1967, we have drafted this report on the opening of options for subscription to or purchase of shares in favour of certain employees of the Company and companies and groupings which are tied to it under those conditions referred to in Article L.225-180 of the Commercial Code, and in favour of the Chief Executive and the Deputy Chief Executives.

It is for the Board of Directors to draw up a report concerning the reasons for opening options for the subscription to or purchase of shares as well as the proposed terms and methods for fixing the subscription or purchase price. It is for us to give our opinion on the proposed terms and methods for fixing the subscription or purchase price.

We have conducted our work in accordance with professional standards applicable in France. These standards require us to take steps to verify that the proposed terms and methods for fixing the subscription or purchase price are indeed stated in the report by the Board of Directors, that they comply with the provisions laid down by law and are such as to properly inform the shareholders and that they do not appear patently inappropriate.

We have no observations to make as to the proposed terms.

### **Report on the gratuitous allotment of shares, whether existing or to be issued, in favour of salaried personnel and corporate officers (15<sup>th</sup> resolution)**

In the performance of the tasks provided for in Article L.225-197-1 of the Commercial Code, we present you with our report on the planned gratuitous allotment of existing shares or shares to be issued, in favour of the salaried personnel and corporate officers of Renault and of companies tied to it within the meaning of Article L.225-197-2 of the Commercial Code.

Your Board of Directors proposes that you authorise it, for a period of 38 months as of this General Meeting, to allot, gratuitously, existing Renault shares or Renault shares to be issued. The gratuitous allotment will concern a maximum number of 0.53% of the number of shares making up the registered capital on the date of this General Meeting.



It is for the Board of Directors to draw up a report on this operation that it wishes to be able to proceed with. It is for us to inform you of any observations we have to make on the information provided to you by the Board of Directors concerning the planned operation.

In the absence of any professional standards applicable to this operation, which arises under a legislative provision dating from 30 December 2004,

we have taken those steps that we deemed necessary in order to verify that the envisaged terms and data contained in the Board of Directors' report fall within the framework of the provisions laid down by law.

We have no observations to make as to the information provided in the Board of Director's report concerning the envisaged operation for the gratuitous allotment of shares.

Neuilly-sur-Seine and Paris-La Défense, 3 April 2006

The Statutory Auditors  
*French original signed by*

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

P. Chastaing-Doblin

A. Raimi

J.F. Bélorgey

D. Mary-Dauphin

# Reports by the Board of Directors

## Special report to the General Meeting on stock options

### Characteristics of the 2005 plan:

Attribution date	Number of beneficiaries	Total number of options attributed	Of which: to CDR members	Exercise price	Rebate granted	Duration of the plan	Period of unavailability	Options still to be exercised at 31/12/2005
13 September 2005	639	1,631,093	650,000	72.98 euros	None	8 years	4 years	1,631,093

### Over the 2005 financial year:

■ The following **attributions to corporate officers** were made:

- Mr GHOSN, 200,000 options.

■ **Options exercised by corporate officers:**

- Exercised by Mr SCHWEITZER: 10,000 in March (97 plan), 10,000 in August (98 plan) and 8,300 in September (98 plan).
- Exercised by Mr GHOSN: 20,000 in February (97 plan), 30,000 then 20,000 in February (98 plan) and 20,000 in March (98 plan).

■ The **10 largest attributions** of the plan of 13 September 2005 (other than attributions to corporate officers) came to a total of 253,000 options, breaking down as follows:

- Patrick PELATA	35,000 options
- Jean-Louis RICAUD	35,000 options
- Patrick BLAIN	30,000 options
- Michel GORNET	30,000 options
- Michel DAVY DE VIRVILLE	25,000 options
- Thierry MOULONGUET	25,000 options
- Michel FAIVRE DUBOZ	20,000 options
- Philippe GAMBA	20,000 options
- Marie-Christine CAUBET	18,000 options
- Jacques CHAUVET	15,000 options

■ The **10 largest exercises** of options in 2005 (other than corporate officers) came to a total of 219,000 options at an average exercise price of 46.66 euros (i.e. 20,000 options exercised at a price of 49.27 euros, 151,000 options exercised at a price of 50.94 euros, 48,000 options exercised at a price of 32.13 euros):

- Shémaya LEVY	40,000 options exercised at a price of 50.94 euros
- Patrick FAURE	30,000 options exercised at a price of 50.94 euros
- Jean-Baptiste DUZAN	25,000 options exercised at a price of 50.94 euros
- Manuel GOMEZ	25,000 options exercised at a price of 50.94 euros
- Shémaya LEVY	20,000 options exercised at a price of 49.27 euros
- Michel DAVY DE VIRVILLE	18,200 options exercised at a price of 32.13 euros
- Michel DAVY DE VIRVILLE	16,800 options exercised at a price of 32.13 euros
- Luc-Alexandre MENARD	16,000 options exercised at a price of 50.94 euros
- Patrick BLAIN	15,000 options exercised at a price of 50.94 euros
- Jean-Baptiste DUZAN	13,000 options exercised at a price of 32.13 euros

# Report by the Board of Directors to the Mixed (Ordinary and Extraordinary) General Meeting of 4 May 2006 voting as Extraordinary General Meeting

Ladies and Gentlemen,

We have called you to a General Meeting, which is to vote as an extraordinary general meeting, in order to submit three resolutions directly connected with the share capital and three resolutions which, if you decide to adopt them, is liable to give rise to an amendment to your company's Articles of Association.

## Authorisation to reduce the registered capital by cancelling shares

In the **thirteenth resolution**, it is proposed that the General Meeting authorise the Board, for a duration of 18 months, to cancel, via a capital reduction, shares acquired in the framework of the programme for the purchase of the company's own shares, the terms of which are specified in the twelfth resolution.

Cancelling shares causes a change in the amount of the registered capital, and consequently a change in the terms of the Articles of Association, which can only be authorised by the Extraordinary General Meeting. The purpose of this resolution is therefore to delegate such powers to the Board. This authorisation will cause any prior authorisation of the same nature to become null and void for any amounts remaining unused.

The **fourteenth and fifteenth** resolutions are intended to authorise the Board of Directors to attribute stock options (in the form of options for the subscription to or purchase of shares) and/or to proceed with the gratuitous allotment of shares to employees and corporate officers under those conditions laid down by the law, in order to reward people who, by their level of performance, have contributed to putting Renault's medium-term plan into effect.

## Authorisation to attribute options for subscription to or purchase of Renault shares to certain employees

In the **fourteenth resolution**, it is proposed that the General Meeting authorise the Board of Directors to grant, to certain members of the management staff of the Company and of connected companies and groups, options entitling said persons to subscribe to new shares in the company, issued under capital increases, or to purchase shares in the company which have been acquired by the Company itself under statutory and regulatory conditions.

The share subscription price shall be equal to the average of the weighted average market prices over the twenty stock market sessions preceding the date on which the option is granted, and may not be less than 80% of the average listed price over the last twenty stock market sessions preceding the date on which the option is granted. The share purchase price shall be

equal to the average of the weighted average market prices over the twenty stock market sessions preceding the date on which the option is granted, and cannot be less than 80% of the average market price for the purchase of shares previously bought by the company under Articles L 225-208 and L 225-209 of the Commercial Code.

This operation shall concern a number of shares representing a maximum of 3.2% of share capital over a period which may not exceed thirty-eight months. A delegation of powers to the Board is also provided, to enable the Board to determine all of the terms and conditions of the operation.

This resolution is also intended to confirm that the eighteenth resolution adopted by the General Meeting on 29 April 2005, which authorised the Board of Directors to increase the registered capital under those conditions laid down, notably, in Article L 443-5 of the Employment Code, by issuing shares reserved to the employees, and which has not been used to date, will remain in force under those conditions set forth in said eighteenth resolution.

## Authorisation granted to the Board of Directors to proceed with the gratuitous allotment of shares to eligible employees and corporate officers of the Company and connected companies

This authorisation shall be granted up to a limit of 0.53% of the amount of shares making up the registered capital on the date of this General Meeting.

The gratuitous allotment of shares shall only be definitive at the end of an acquisition period of four years following the decision by the Board of Directors to allot the shares, as defined in Article L225-197-1 of the Commercial Code, and subject to compliance with the conditions for the allotment of the shares as laid down by the Board of Directors when it decides to proceed with such allotment. It should be noted that once the shares are definitively allotted, they may only be sold or transferred by the persons receiving such allotment after a period of two years of conservation of the shares.

The gratuitously allotted shares may either be existing shares or new shares issued by way of a capital increase.

## Amendment of the articles of association

The **sixteenth, seventeenth and eighteenth resolutions** are intended to amend your Company's Articles of Association in accordance with the provisions of Ordinance No. 2004-604 of 24 June 2004 and Law No. 2005-842 of 26 July 2005.

The **sixteenth resolution** is intended to add a term to the current Article 12 of the Articles of Association authorising meetings of the Board of Directors to be held using means of telecommunication which guarantee the effective participation of its members.

The **seventeenth resolution** is intended to bring the Articles of Association into conformity with the Ordinance of 24 June 2004 by clarifying, notably, the general framework applicable to the delegation of implementing and decision-making powers to the Board of Directors in order to proceed with capital increases.

The **eighteenth resolution** is intended to clarify the general framework for the issue of securities, and notably issues of debenture bonds which, since the entry into force of the Ordinance of 24 June 2004, have as a general principle become subject to the decision-making powers of the Board of Directors. This power devolved to the Board gives rise to greater flexibility insofar as the Board may decide to call on the market in a continuous and opportune manner.

After having heard the reading of the special report of the Statutory Auditors, we ask you to approve all of the resolutions which are submitted to you.

The Board of Directors



# Share buy-back programme

## Description of the share buy-back programme to be authorised by the General Meeting of 4 May 2006

Pursuant to the French financial markets authority's General Regulations (AMF General Regulations Articles 241-1 to 242-7) and Article L451-3 of the French Monetary and Financial Code, the purpose of this programme description is to describe the aims and the terms of the programme for Renault SA (the "Company") to purchase its own shares subject to the authorisation of the Mixed (joint ordinary and extraordinary) General Meeting of shareholders of 4 May 2006.

### 1. Date of the General Meeting of shareholders called to authorise the new buy-back programme

4 May 2006.

### 2. Number of shares and proportion of the share capital held by the issuer

As at 31 March 2006, the Company's registered capital is made up of 284,937,118 shares of which 8,728,267 shares are held by Renault SA, representing 3.06% of the registered capital.

### 3. Breakdown by purpose for shares held directly or indirectly by the issuer

Except where a different use is assigned to shares which no longer have an assigned purpose, the purpose of all of the shares directly or indirectly held by Renault SA at the present date is to use all or part of the acquired shares in order to cover stock option plans or any other form of allocation intended for employees and directors of the Company and its Group under those conditions laid down by law (including notably in the framework of the gratuitous allocation of shares).

### 4. Aims of the new buy-back programme

The aims of this programme are:

- to use all or part of the acquired shares to cover plans for options or any other form of allocation intended for employees and directors of the Company and of its Group under those conditions laid down by law (including notably in the framework of the gratuitous allocation of shares);

- to deliver its shares at the time of exercise of rights attached to securities which provide entitlement, by conversion, exercise, redemption or exchange or in any other manner, to the attribution of the Company's shares in the framework of stock market regulations;
- to animate the secondary market or the liquidity of Renault shares by an Investment Service Provider by way of a liquidity agreement complying with the code of good practice recognised by the *Autorité des Marchés Financiers* (French financial markets authority);
- to use all or part of the acquired shares for conservation and later delivery in exchange for or as payment in the framework of any future transactions for external growth;
- to cancel them, subject to the adoption of the thirteenth resolution by the Mixed General Meeting of shareholders;
- to implement any market practice as may be accepted by the *Autorité des Marchés Financiers*, and, generally, proceeding with any compliant transaction.

### 5. Maximum proportion of share capital, maximum number and characteristics of the equities

The maximum purchase price is fixed at 100 euros per share (ISIN code: FR 0000131906), and the number of shares which may be acquired is fixed at a maximum of 10% of the registered capital, it being recalled that this limit applies to the amount of Company's registered capital as adjusted, as the case may be, to take into account those operations affecting the registered capital after the General Meeting on 4 May 2006.

The total amount that the Company may apply to the purchase of its own shares may not exceed 2,849,371,180 euros.

Consequently, subject to potential adjustments, and considering the 8,728,267 shares representing 3.06% of the registered capital that the Company already held on 31 March 2006, the Company may only acquire 6.94% of its registered capital, i.e. 19,765,445 shares, under this programme for the purchase of the company's own shares, notwithstanding any capital increases authorised by the Mixed General Meeting.

The number of shares acquired by the Company with a view to their conservation or for exchange in the context of a merger, division, spin-off or capital contribution may not exceed 5% of its capital.

## 6. Duration of the buy-back programme

Subject to its approval by the Mixed General Meeting of shareholders on 4 May 2006, this programme is authorised for a period which will end at the next annual General Meeting called to approve the accounts, without exceeding a maximum duration of eighteen months, i.e. 4 November 2007.

## 7. Operations undertaken in the framework of the previous buy-back programme

Period from 29 April 2005 to 31 March 2006	Cumulative gross flows		Open positions at 31 March 2006	
	Purchases	Sales / Transfers(*)	Open positions for purchase	Open positions for sale
Number of shares	None	1,620,527 shares	None	None
Average exercise price		44.18 euros/share		
Amounts		71,589,000 euros		

(\*) following the exercise of 1,620,527 share purchase options by employees and/or directors.

In February 2006, the Company cancelled 3,000 own shares which no longer have an assigned purpose due to the deletion of the related share purchase options.

This description has been transmitted to the AMF French financial market authority. It is available for free to the general public at the Renault SA's head office

13/15 quai Le Gallo,  
92100 Boulogne-Billancourt,  
France,

and is also available on the websites of Renault SA ([www.renault.com](http://www.renault.com)) and AMF ([amf-france.org](http://amf-france.org)).

A copy will be sent for free upon request.

# Special report on purchases of the Company's own shares under the share buy-back programme approved by the General Meeting of 29 April 2005 (Art. L225-209 paragraph 2 of the Commercial Code)

In accordance with Article L225-209 of the Commercial Code, it is hereby stated that Renault proceeded with **no acquisitions of its own shares** in the framework of its share buy-back programme approved by the General

Meeting held on 29 April 2005, the information memorandum for which was viewed and stamped by the *Autorité des Marchés Financiers* [French financial markets authority] under the *visa* No. 05-187 on 25 March 2005.

- **Percentage of the share capital held directly or indirectly by the company itself at 31 March 2006:** 3.06% of the number of shares making up the registered capital
- **Number of shares cancelled over the course of the last 24 months:** 3,000 (\*)
- **Number of shares held in the portfolio on 29 April 2005:** 10,348,794 shares
- **Number of shares held in the portfolio on 31 March 2006:** 8,728,267 shares
- **Book value of the portfolio at 31 March 2006:** 420,426,000 euros
- **Market value of the portfolio at 31 March 2006:** 725,905,000 euros

(\*) By decision of the Board of Directors of Renault S.A on 6 February 2006 which, on the one hand, observed the creation of 3,000 new shares arising from the early exercise of 3,000 share subscription options, and, on the other hand, which correlatively proceeded with the cancellation of 3,000 shares held by the company itself which no longer had an assigned use.

Period from 29 April 2005 to 31 March 2006	Cumulative gross flows		Open positions at 31 March 2006	
	Purchases	Sales / Transfers (*)	Open positions for purchase	Open positions for sale
Number of shares	None	1,620,527 shares	None	None
Average exercise price		44.18 euros/share		
Amounts		71,589,000 euros		

(\*) Following the exercise of 1,620,527 share purchase options by employees and/or directors.

Except where the shares are reassigned to a different use, notably when the corresponding stock options are cancelled, the shares held by Renault are

presently assigned to cover the stock option plans or any other form of allocation to employees and directors.



# Renault SA financial highlights

## Renault SA five-year financial highlights

(€ million)	2001	2001 pro forma (1)	2002	2003	2004	2005
<b>Year-end financial position</b>						
Share capital	923	923	1,086	1,086	1,086	<b>1,086</b>
Number of shares and investment certificates outstanding	242,196,550	242,196,550	284,937,118	284,937,118	284,937,118	<b>284,937,118</b>
<b>Overall income from operations</b>						
Revenues net of taxes	32,443					
Income before tax, amortization, depreciation and provisions (2)	1,425	84	3,005	446	213	<b>675</b>
Income tax	107	107	53	0	(2)	<b>(91)</b>
Income after tax, amortization, depreciation and provisions	554	170	3,111	771	252	<b>581</b>
Dividends paid	250		316	383	494	
<b>Earnings per share in euros</b>						
Earnings before tax, amortization, depreciation and provisions (2)	5.88	0.35	10.55	1.57	0.75	<b>2.37</b>
Earnings after tax, amortization, depreciation and provisions	2.29	0.70	10.92	2.71	0.88	<b>2.04</b>
Net dividend per share	0.92		1.15	1.40	1.80	<b>2.40(4)</b>
<b>Personnel</b>						
Number of employees (3)	47,515					
Payroll	1,677					
Benefit contributions (social security, benefit plans, etc.)	631					

(1) The strengthening of the Alliance between Renault and Nissan Motor Co. Ltd. and the delegation of strategic management to Renault-Nissan b.v. made it necessary to reorganize Renault and to create a société par actions simplifiée (simplified joint-stock company – S.A.S.). The new entity, Renault s.a.s., is wholly owned by Renault SA. Under the terms of the business transfer agreement signed on February 22, 2002, Renault SA contributed its principal operating assets to Renault s.a.s. This agreement came into effect on April 1, 2002 and was backdated to January 1, 2002 for accounting and tax purposes. For this reason, the table includes a pro forma column for 2001 to make it easier to compare 2002 and 2001 performances.

(2) Provisions are those recorded during the year, less reversals and applications.

(3) At December 31.

(4) Pursuant to a resolution put to the AGM of May 4, 2006.

## Shareholder Information

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