

Board Decision

February 9<sup>th</sup>, 2017

**Details of the compensation package of the Chairman and Chief Executive Officer of Renault for the 2016 and 2017 financial years**

On February 9, 2017, as proposed by the Remuneration Committee, the Board of Directors of Renault:

- i. deemed that the performance criteria applicable to the variable portion of the Chairman and Chief Executive Officer's compensation for the 2016 financial year had been achieved;
- ii. decided on the details of the compensation package of the Chairman and Chief Executive Officer for the 2017 financial year, including the performance criteria for the variable portion and the number of performance shares granted.

The deliberations of the Remuneration Committee were carried out with the assistance of a firm of specialized consultants on the basis of analyzes covering the compensation granted by comparable CAC 40 companies and foreign groups in the same industry.

**I. Details of the compensation package for 2016**

On July 27, 2016, as proposed by the Remuneration Committee, the Board of Directors decided on the details of the compensation package of the Chairman and Chief Executive Officer for the 2016 financial year:

- i. the amount of the fixed portion, unchanged since the 2011 financial year (€1,230,000);
- ii. the method for calculating and paying the variable portion for the 2016 financial year;
- iii. the number of performance shares granted for that financial year (100,000), and the vesting conditions of said performance shares.

On February 9, 2017, as proposed by the Remuneration Committee, the Board of Directors decided that the performance criteria applicable to the Chairman and Chief Executive Officer's variable portion for the 2016 financial year had been met.

For the record, the variable portion of the Chairman and Chief Executive Officer is a percentage of the fixed portion that can reach 120% if all the performance objectives are achieved, or 180% if all the additional outperformance criteria are met, 25% of which is paid immediately in cash, with deferred payment of the balance in the form of shares.

As proposed by the Remuneration Committee, the Board of Directors, meeting on February 9, 2017, decided that the levels of achievement of the performance criteria determining the amount of the variable portion of the Chairman and Chief Executive Officer's compensation package for the 2016 financial year, are as follows:

Criteria	Weighting	Achievement	Thresholds
<b>ROE (Return On Equity)</b>	15%	<b><u>15%</u></b>	0% if ROE < 8% 10% if ROE = 8% 15% if ROE ≥ 10% <b>Linear variation</b>

Criteria	Weighting	Achievement	Thresholds
<b>COP</b> <i>(Operational Margin)</i>	35%	<u>35%</u>	0% if COP < budget 20% if COP = budget 25% if COP = budget +0.2 points 35% if COP ≥ budget +0.5 points <b>Linear variation</b>
<b>FCF</b> <i>(Free Cash Flow)</i>	35%	<u>35%</u>	0% if FCF < budget 20% if FCF = budget 25% if FCF = budget +36% 35% if FCF ≥ budget +100% <b>Linear variation</b>
<b>Management Quality</b>	35%	<u>7%</u> <u>5%</u> <u>8%</u> <u>10%</u>	7% competitiveness agreement adhered to in France 8% quality of environmental responsibility 8% development of partnerships and Alliance-related synergies 12% development of a multi-year R&D strategy
<b>Sub-total</b>	120%	<b>115%</b>	

Therefore, for the 2016 financial year, the Board of Directors set the variable portion for the Chairman and Chief Executive Officer at 115% of the fixed portion, equivalent to the sum of €1,414,500 (compared to 145% of the fixed portion, equivalent to €1,783,500, for the 2015 financial year, it being specified that for that particular year, the variable portion could represent up to 150% of the fixed portion of the Chairman and Chief Executive Officer's compensation if all the performance criteria were achieved).

The Board of Directors, as proposed by the Remuneration Committee, also approved the method of payment of the variable portion under the following conditions:

- the variable portion for immediate payment in cash represents 25% of the variable portion, equivalent to the sum of € 353,625; and
- the variable portion for deferred payment in the form of shares represents 75% of the variable portion, equivalent to the sum of € 1,060,875, converted into 12,466 shares.

The final vesting of these 12,466 shares for the Chairman and Chief Executive Officer is subject to his continued presence in office for a period of three (3) years, starting on the date of the Board of Directors held on February 9, 2017, meaning until February 8, 2020.

## **II. Details of the compensation package for the 2017 financial year**

On February 9, 2017, as proposed by the Remuneration Committee, the Board of Directors decided on the following compensation policy for the Chairman and Chief Executive Officer for the 2017 financial year.

In accordance with the provisions of Article L. 237-2 of the French Commercial Code, the compensation policy for the Chairman and Chief Executive Officer for the 2017 financial year will be submitted to the 2017 Annual General Meeting of Renault for approval.

### A. A fixed portion

The amount of the fixed portion is equal to €1,230,000, unchanged since 2011.

### B. A variable portion

The compensation package for the Chairman and Chief Executive Officer for the 2017 financial year consists of a variable portion, the amount of which may reach 120% of the fixed compensation if all the performance objectives are achieved, or 180% if all the additional outperformance criteria are met, 25% of which is paid immediately in cash, with deferred payment of the balance in the form of shares.

The performance criteria determining the amount of the variable portion of the Chairman and Chief Executive Officer's compensation for the 2017 financial year, as well as their weighting are the same as those used to determine the variable portion of the compensation for the 2016 financial year:

Criteria	Weighting	Thresholds
<b>ROE</b> (Return On Equity)	<b>15%</b>	0% if ROE < 8% 10% if ROE = 8% 15% if ROE ≥ 10% <b>Linear variation</b>
<b>COP*</b> (Operational Margin)	<b>35%</b>	0% if COP < budget 25% if COP = budget 35% if COP ≥ budget +0.2 points <b>Linear variation</b>
<b>FCF*</b> (Free Cash Flow)	<b>35%</b>	0% if FCF < budget 25% if FCF = budget 35% if FCF ≥ budget +50% <b>Linear variation</b>
<b>Management Quality</b>	<b>35%</b>	7% if cap2020 agreement adhered to in France 8% quality of environmental responsibility 10% development of partnerships and Alliance-related synergies 10% development of a multi-year R&D strategy
<b>Sub-total</b>	<b>120%</b>	
Any additional variable compensation, over and above 120%	+60%	if COP ≥ Budget +0.5 points and if FCF ≥ Budget +100%
<b>Total</b>	<b>180%</b>	

\* excluding the impact of the consolidation of Avtovaz.

### C. Performance shares

For the record, since 2014, the Chairman and Chief Executive Officer has benefited from performance shares under the same conditions as other managers in the Group, but contingent upon one additional performance criterion.

Under the terms of the authorization given by the Extraordinary General Meeting of April 29, 2016 (thirteenth resolution), the Board of Directors, at the meeting held on February 9, 2017, as proposed by the Remuneration Committee, granted 100,000 performance shares to the Chairman and Chief Executive Officer for the 2017 financial year.

The final vesting of the performance shares granted for the 2017 financial year to the Chairman and Chief Executive Officer is subject to:

- on the one hand, his continued presence in office for four (4) years, starting on the grant date, meaning, i.e. until February 8, 2021; and
- on the other hand, on performance criteria subject to evaluation over a 3-year period (2017, 2018 and 2019).

The Board of Directors, pursuant to the recommendations made by the Remuneration Committee, has adopted the following performance criteria:

Criteria	Weighting	Thresholds
<b>TSR</b>	<b>33.33%</b>	0 % if TSR < Benchmark
		15% if TSR = Benchmark
		33.33% if TSR ≥ Benchmark +10%
		<b>Linear variation</b>
<b>COP Auto*</b> <b>vs.</b> <b>Average for the panel</b>	<b>33.33%</b>	0 % if COP Auto < Average
		26.7% if COP Auto = Average
		33.33% if COP Auto ≥ Average + 5%
		<b>Linear variation</b>
<b>FCF*</b> <i>(Free Cash Flow)</i>	<b>33.33%</b>	0% if FCF < Budget
		26.7% if FCF = Budget
		33.33% if FCF ≥ Budget +10%
		<b>Linear variation</b>

\* excluding the impact of the consolidation of Avtovaz.

With the exception of the last criterion regarding TSR, applicable only to the Chairman and Chief Executive Officer, these criteria are the same for all beneficiaries of performance shares.

The Chairman and Chief Executive Officer has an obligation to retain 25% of the performance shares definitively acquired at the end of the vesting period until the end of his term of office.