

Boulogne-Billancourt, February 15, 2018

Components of the compensation package of the Chairman and Chief Executive Officer of Renault for the 2017 and 2018 financial years

On February 15, 2018, on the recommendation of the Compensation Committee, the Board of Directors of Renault:

- i. reviewed the achievement of the performance criteria applicable to the variable component of the Chairman and Chief Executive Officer's compensation for the 2017 financial year, and
- ii. set the compensation policy of the Chairman and Chief Executive Officer for the 2018 financial year.

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

I. Components of the compensation package for 2017

On February 9, 2017, on the recommendation of the Compensation Committee, the Board of Directors set the terms of the compensation policy of the Chairman and Chief Executive Officer for the 2017 financial year:

- i. the amount of the fixed compensation, unchanged since the 2011 financial year (1,230,000 euros);
- ii. the terms and conditions for calculating and paying the variable compensation for the 2017 financial year; and
- iii. the allocation of 100,000 performance shares.

A. Variable component

For the 2017 financial year, the variable compensation could amount to 120% of the fixed component, if all the performance objectives were met.

On February 15, 2018, on the recommendation of the Compensation Committee, the Board of Directors set the level of achievement of the performance criteria applicable to the Chairman and Chief Executive Officer's variable compensation for the 2017 financial year.

The achievement rates are as follows:

	CRITERIA	WEIGHT	THRESHOLD	ACHIEVEMENT RATE
Quantitative criteria	ROE	15%	0 % if ROE < 8% 10 % if ROE = 8% 15 % if ROE ≥ 10% Linear variation in between.	15%
	Group COP	35%	0 % if COP < Budget 20 % if COP = Budget 25 % if COP = Budget + 0.2 point 35 % if COP ≥ Budget + 0.5 point Linear variation in between.	35%
	FCF	35%	0 % if FCF < Budget 20 % if FCF = Budget 25 % if FCF = Budget + 36% 35 % if FCF ≥ Budget + 100% Linear variation in between.	15%
	Sub-total	85%		85%
Qualitative criteria	Managerial quality	7%	Implementation of the France competitiveness agreement	7%
		8%	Quality of CSR and environmental commitments	7%
		8%	Development of Alliance synergies and partnerships	7%
		12%	Development of a multiyear R&D strategy	12%
	Sub-total	35%		33%
Total		120%		118%

Therefore, the annual variable component of the Chairman and Chief Executive Officer for the 2017 financial year has been set at 118% of the fixed part and amounts to 1,451,400 euros.

The Board also approved the terms and conditions of payment of the variable component under the following conditions:

- variable component paid in cash (25% of the variable component): 362,850 euros ;
- variable component for deferred payment in the form of shares (75% of the variable component): 1,088,550 euros, converted into 12,421 shares at the price of 87.64 euros (equivalent to the average stock market price over the twenty sessions prior to the date of the Board of Directors meeting).

The vesting of these 12,421 shares is subject to his continued presence for a period of three years, starting on the date of the Board of Directors’ meeting held on February 15, 2018, i.e. until February 14, 2021.

Their value is subject to upward or downward stock price trends throughout this period.

It is also reminded that pursuant to article L. 225-37-2 of the French Commercial Code, the payment of the annual variable compensation of the Chairman and Chief Executive Officer for the 2017 financial year will be submitted to the 2018 Annual General Meeting of Renault for approval.

B. Performance shares

On February 9, 2017, the Board of Directors granted 100,000 performance shares to the Chairman and Chief Executive Officer.

This performance shares allocation is subject to the achievement of performance criteria which will be assessed for the 2017, 2018 and 2019 financial years and which are detailed hereafter.

	CRITERIA	WEIGHT	ACHIEVEMENT RATE
Quantitative criteria	TSR ¹	33.3%	0 % if TSR < Benchmark 15.0 % if TSR = Benchmark 33.33 % if TSR ≥ Benchmark+ 10% Linear variation in between.
	% Automotive operating margin (Automotive OM) vs basket average ²	33.3%	0 % if Auto COP < Average 26.7 % if Auto COP = Average 33.33 % if Auto COP ≥ Average + 10% Linear variation in between.
	FCF	33.3%	0 % if FCF < Budget 26.7 % if FCF = Budget 33.3% if FCF ≥ Budget + 10% Linear variation in between.
		100%	

In addition, the vesting of the performance shares is subject to a presence condition for a period of four years, i.e. until 2021.

¹ TSR will be calculated using a reference index, which corresponds to the average TSRs for both the Euro Stoxx ex Financials index and the Euro Stoxx Automobile & Parts index.

² The basket is composed of the following car manufacturers: Fiat, PSA, Skoda, Volkswagen and Renault.

The Chairman and Chief Executive Officer is not subject to a lock-up period beyond the vesting period with respect to the plan. He is however subject to an obligation to retain 25% of the vested shares in his capacity as chief executive officer, until the end of his term of office.

II. Components of the compensation package for 2018

On February 15, 2018, on the recommendation of the Compensation Committee, the Board of Directors of Renault set the compensation policy of the Chairman and Chief Executive Officer for the 2018 financial year.

A. Fixed compensation

The amount of the fixed compensation is set at 1,000,000 euros, versus 1,230,000 euros in 2017, i.e. a reduction of 19%.

B. Variable compensation

The amount of the variable portion may amount to 100% of his fixed compensation (versus 120% for the 2017 financial year) if all the performance criteria are met. 25% of the variable compensation is paid in cash, the remainder being deferred and paid in the form of shares.

For the 2018 financial year the performance criteria determining the amount of the variable compensation of the Chairman and Chief Executive Officer are the same as those used to determine the amount of his variable compensation for the 2017 financial year. Their weighting has been adjusted to reflect the reduction in the variable compensation.

	CRITERIA	WEIGHT	THRESHOLD
Quantitative criteria	ROE	10%	0 % if ROE < 8% 10 % if ROE = 8% 15 % if ROE ≥ 10% Linear variation in between.
	Group COP	30%	0 % if COP < Budget 20 % if COP = Budget 25 % if COP = Budget + 0.2 point 35 % if COP ≥ Budget + 0.5 point Linear variation in between.
	FCF	30%	0 % if FCF < Budget 20 % if FCF = Budget 25 % if FCF = Budget + 36% 35 % if FCF ≥ Budget + 100% Linear variation in between.
	Sub-total	70%	
Qualitative criteria	Managerial quality	6%	Implementation of the France competitiveness agreement
		7%	Quality of CSR and environmental commitments
		8%	Development of Alliance synergies and partnerships
		9%	Development of a multiyear R&D strategy
	Sub-total	30%	
Total		100%	

C. Performance Shares

On February 15, 2018, the Board of Directors granted 80,000 performance shares to the Chairman and Chief Executive Officer, i.e. a reduction of 20% compared to the 2017 grant.

This performance shares allocation is subject to the achievement of performance criteria which will be assessed for the 2018, 2019 and 2020 financial years and which are detailed hereafter.

	CRITERIA	WEIGHT	THRESHOLD
Quantitative criteria	TSR ³	10%	0 % if TSR < Benchmark 4,5 % if TSR = Benchmark 10 % if TSR ≥ Benchmark+ 10% Linear variation in between.
	FCF	30%	0 % if FCF < Budget 21 % if FCF = Budget 30 % if FCF ≥ Budget + 20% Linear variation in between.
	Alliance Platforms	30%	0 % if < Budget 21% if = Budget 30 % if ≥ Budget + 5% Linear variation in between.
	Electric Vehicles	30%	0 % < Budget 21% if = Budget 30 % fi ≥ Budget + 5% Linear variation in between.
		100%	

In addition, the vesting of the performance shares is subject to a presence condition for a period of four years, i.e. until 2022.

The Chairman and Chief Executive Officer is not subject to a lock-up period beyond the vesting period with respect to the plan. He is however subject to an obligation to retain 25% of the vested shares in his capacity as chief executive officer, until the end of his term of office.

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³ TSR will be calculated using a reference index, which corresponds to the average TSRs for both the Euro Stoxx ex Financials index and the Euro Stoxx Automobile & Parts index.