

RENAULT (sa)

INTERNAL RULES OF THE BOARD OF DIRECTORS

These Rules define the operating rules and procedures governing the proceedings of the Board of Directors and its committees, and the rights and obligations of the directors.

These rules were approved by the Board of Directors at its meeting on 10 September 1996, and underwent several amendments, the latest of which was passed by the Board of Directors at its meeting on 29 April 2016.

Certain provisions of these internal rules expressly reiterate the recommendations of the Afep/Medef Code, which is the reference corporate governance code for Renault.

The internal rules may be amended at any time by a simple decision of the Board of Directors.

I. Board of Directors

1. Composition of the Board of Directors

Through its composition, the Renault Board of Directors seeks balanced representation, competence and ethical behaviour in its members. For this purpose, it considers the following points when examining candidates for membership:

- the composition of and changes in the share ownership pattern;
- independence;
- balanced representation of men and women;
- diversity of backgrounds and skills, their complementarity and relevance with regard to the strategy and development of Renault;
- diversity of nationalities;
- knowledge of the markets in which Renault is or seeks to be established.

Each candidate's profile is examined on the basis of each of the foregoing criteria.

The candidates are then interviewed by the Nominations and Governance Committee. Following these interviews, the Nominations and Governance Committee makes recommendations to the Board of Directors.

The Board of Directors discusses the candidatures proposed by the Committee and votes to determine which of them will be submitted to the Shareholders' General Meeting.

After this, the composition of the Board of Directors is:

- reviewed as part of the annual assessment of the Board's organisation and operation. Whenever it considers it necessary and at least every three years, the Board of Directors conducts a formal assessment;
- described in the Chief Executive Officer's Report on the composition of the Board of Directors and on the application of the principle of balanced representation of men and women, the manner in which the Board's proceedings are prepared and organised, and the internal control and risk management procedures implemented by the Company.

2. Missions of the Board of Directors

The Board of Directors is a collegiate body.

It has the obligation to act in the corporate interests of the Company under all circumstances. It receives its powers from the shareholders as a body, and also takes account of the expectations of other stakeholders. It meets as often as the Company's interests and the legal and regulatory provisions require.

On a proposal by the Chief Executive Officer, the Board of Directors determines the Company's strategy. The Board discusses the Company's strategic guidelines on a yearly basis, including those relating to the Alliance, proposed by the Chief Executive Officer. It examines any amendments to those guidelines. The Board gives its opinion beforehand on any major decision that is not in line with the business strategy.

It is alerted promptly by the Chief Executive Officer in the event of any external event or internal change radically affecting the Company's prospects or the forecasts submitted to the Board of Directors.

Every year, the Board examines the medium-term plan and the budget.

It is regularly informed of the Company's results as reflected in the income statement, balance sheet and cash flow; it is also informed of off-balance-sheet commitments.

The Board oversees the quality of the financial information published, particularly through its financial statements or whenever significant transactions are carried out. It publicises its opinion

on the conduct of transactions in the Company's securities whenever warranted by the nature of those transactions.

The Board meets once a year, in the absence of the Chief Executive Officer, to assess the latter's performance and set his/her remuneration.

Every year, it also draws up the list of directors regarded as independent. The Board discusses its proceedings at least once a year and that of its committees, as well as its annual assessment.

The Board of Directors prepares and convenes the Shareholders' General Meeting and decides on the agenda.

3. Proceedings of the Board of Directors

3.1 Meetings of the Board of Directors

The proceedings of the Board of Directors and the meetings of the Board committees may be conducted using any technical means, provided they guarantee effective participation by directors.

Accordingly, the directors participating in the Board's proceedings by the aforementioned means are deemed attending, for calculation of the quorum and majority, except for the meetings finalising the separate or consolidated financial statements, appointing or dismissing the Chairman of the Board of Directors, the Managing Director and the delegate managing directors, for which proceedings the directors are required to attend in person.

The notifications are made by any means and may be transmitted by the Secretary of the Board.

The proceedings of the Board of Directors are conducted on the basis of documents sent to each director not less than five (5) days before the meeting of the Board of Directors.

However, where the aforementioned documents are submitted beforehand to a committee of the Board within a shorter time limit, those documents shall be forwarded to the directors at the close of the relevant meeting of that committee.

In the event of urgency or where the time limit cannot be met, the agenda and the documents relating to the matters for discussion by the Board of Directors shall be transmitted not less than 24 hours before the Board of Directors meets.

Minutes of the discussions at each meeting of the Board of Directors is drawn up in compliance with the legal provisions in force.

3.2 Secretariat of the Board of Directors

The Board of Directors may appoint a Secretary whose mission is to assist the Chief Executive Officer in organising the Board's work. The Secretary's mission is to prepare the schedule of Board

meetings, to ensure that the notifications and the various working documents submitted for the Board's discussions are produced and sent out.

The Secretary of the Board is also responsible for preparing the minutes of meetings of the Board, which must approve them afterwards.

The Secretary of the Board is at the directors' disposal to answer their questions with regard to their rights and obligations, the Board proceedings and news about the Group.

Lastly, the mission of the Secretary of the Board is to keep the directors informed of the main changes in the regulations or reflections within the financial community on the various corporate governance subjects.

II. Rights and obligations of directors

1. Knowledge of the law governing *sociétés anonymes* (French public limited companies) and of the Company's articles of association

Each director must, upon taking up his/her duties, be acquainted with the general and particular obligations arising from his/her office. The director must be acquainted with the legislation and regulations relevant to the operation of *sociétés anonymes*, the recommendations of the Afep/Medef Code which is the reference for Renault, the Renault Articles of Association, these Internal Rules and any other relevant document.

Furthermore, each director may, where he/she considers it necessary, receive additional training in the specific features of the Company, its business lines and the automotive industry.

Directors representing employees or employee shareholders receive appropriate training to enable them to discharge their duties.

2. Right to disclosure and duty to keep informed

Each director has the duty to keep him/herself informed. He/she must make timely enquiry of the Chairman of the Board of Directors to obtain the information he/she considers necessary to discharge his/her duties and to contribute to discussion of the matters entered on the Board's agenda. Moreover, the Secretariat of the Board of Directors is available to each director to provide documents evidencing such information.

3. Duty of diligence

Each director must devote the time and attention necessary to the discharge of his/her duties. A director must be diligent and, unless materially prevented, attend all meetings of the Board of Directors and of the committees of which he/she is a member.

As such, a director may not hold more than four (4) offices in listed companies outside the Renault Group, including foreign companies. A director must keep the Board informed of any office held in other companies, including any involvement in the proceedings of committees of those companies' Boards of Directors.

4. Duty of loyalty

Each director has the duty to notify the Board of Directors of any potential or actual conflict of interest with the Company or with any company within its Group, and must refrain from voting with regard to said conflict(s) of interest.

5. Professional secrecy & privileged information

Each director must, in addition to the obligation of discretion as provided in Article L. 225-37 of the French Commercial Code, regard him/herself as bound by professional secrecy regarding any information undisclosed to the public of which he/she may be aware in the discharge of his/her duties as director.

Furthermore, each director undertakes, on the same footing as any Group senior executive, to comply with the Renault internal procedure concerning the use and/or disclosure of privileged information relating to Renault and/or Nissan, and with any legislative or regulatory provision governing privileged information.

6. Holding of shares in the Company

It is recommended that each director hold a number of shares significantly proportional to the directors' fees received. Where a director does not hold such shares upon taking up duties, he/she must use his/her directors' fees to purchase them. This rule shall not apply to directors appointed by the State or to directors representing employees and employee shareholders, who do not receive directors' fees in a personal capacity.

These shares shall be held in registered form.

It should be noted that the law also requires directors' spouses to register the shares they hold or to deposit them with a bank, a financial institution authorised to take deposits of securities by the public, or a stockbroker. Moreover, since the Company must disclose to the AMF all transactions performed in shares – purchases, subscriptions, exchanges, etc. – by the directors and any persons with whom they are closely connected, each director undertakes to inform the Secretary of the Board of Directors within twenty-four (24) hours of making such a transaction.

7. Compensation and refund of expenses

The directors are paid directors' fees, the total annual amount of which is allocated by the General Meeting. The Board of Directors decides on how this compensation is distributed in accordance with the following methods:

- a fixed portion, arising from the liability that comes with being a member of the Board;
- a variable portion, arising from the effective presence of the members at the Board meetings.

Two supplements may be added to this:

- one for participation in a Board committee;
- one for chairing one of these committees.

The directors appointed by the State, the directors representing the shareholding employees and the salaried directors are not personally paid directors' fees.

Each director is entitled, upon submitting vouchered evidence, to the refund of travel and commuting expenses and any other expenditure contracted by him/her in the interests of the Company.

III. Committees of the Board of Directors

In order to assist it in its missions and activities, the Board of Directors has the following five committees:

- an Audit, Risks and Ethics Committee;
- a Remuneration Committee;
- a Nominations and Governance Committee;
- a Strategy Committee.

The Board of Directors decides on the composition of the committees and the choice of their respective chairmen based on a proposal of the Nominations and Governance Committee.

The existence in the committees of cross-directorships – as understood by the Afep/Medef Code – should be avoided.

The Chairmen of the committees may, if they wish, attend the meetings of the other committees of which they are not members.

The Chairmen of the committees shall report on the activities and recommendations of their respective committees at the meetings of the Board of Directors. Where prevented from attending, the Chairman shall appoint a member of the committee to deliver his/her report to the Board of Directors.

The Chief Executive Officer may consult the committees on any matter relating to their missions.

The committees shall meet whenever they deem it necessary and at least twice a year.

In any case, the committees shall meet ahead of the meetings of the Board of Directors having on their agenda matters within those committees' remit.

The committees shall meet no later than two (2) days before the meetings of the Board of Directors scheduled to discuss matters examined in the committees, except in cases of urgency or where prevented from meeting.

The documents intended for the Strategy Committee shall be sent to their members not less than five (5) days before the committee meeting, except in cases of urgency or where prevented.

The documents intended for the following committees shall be sent to their members not less than two (2) days before the committee meeting, except in cases of urgency or where prevented:

- the Audit, Risks and Ethics Committee;
- the Nominations and Governance Committee;
- the Remuneration Committee.

In order to fulfil their missions, the committees may, at their option:

- meet staff in the divisions relevant to their duties;
- interview functional managers or those of operating entities;
- request Company representatives to communicate any document or information they consider necessary to the discharge of their mission;
- call upon organisations and service providers outside the Company to perform, at the Company's expense, any studies they consider conducive to the fulfilment of their missions.

1. Audit, Risks and Ethics Committee ("CARE")

1.1. Composition

The composition of the CARE is as follows:

- at least two-thirds (2/3rds) of independent directors, excluding employee directors or those representing employee shareholders;
- directors having accounting and/or financial skills;
- a Committee Chairman is chosen with particular care from among the independent directors;
- the Chief Executive Officer may not be a member of this committee.

The members of the CARE shall, upon their appointment, be informed of the Company's specific accounting, financial and operating features. Furthermore, each director may, where he/she considers it necessary, receive additional training in the Company's specific features, its business lines and the automotive industry. Directors representing employees or employee shareholders shall receive appropriate training to enable them to discharge their duties.

1.2. Missions

The following are the missions of the CARE:

- monitoring the processes for generating financial information, supervising the methods adopted for drawing up financial statements, drawn up in compliance with prevailing standards and in accordance with the IFRS accounting system;
- examining and analysing the financial statements as prepared by the Company's directors, and reporting on its findings in this respect to the members of the Board of Directors;
- monitoring the effectiveness of schemes for risk control, internal control and regulatory and operational compliance;
- ensuring compliance with ethical rules, particularly business ethics;
- ensuring the Company has a good level of commitment to social and environmental responsibility (SER).

As such, the CARE:

- examines - as part of its analysis of the financial statements - the memorandum of the statutory auditors highlighting the salient points in the results, the accounting options adopted, and a memorandum from the Financial Director describing the risk exposure, and the off-balance-sheet commitments of the business;
- proposes to the Board the procedure for selecting the statutory auditors, manages the selection procedure, issues an opinion on the quality of those auditors' work and ensures compliance with the rules safeguarding their independence; within this framework, it issues a recommendation regarding the statutory auditors proposed for appointment by the Shareholders' General Meeting;
- regularly interviews the statutory auditors, who must submit their general programme of work and the tests and samplings they have undertaken;
- is informed of the existence of a system for identifying and assessing the Group's risks and ensures that the system's effectiveness is duly monitored;
- ensures that an internal control system exists, and monitors its effectiveness;
- supervises the audit plan, monitors its execution and checks that the recommendations are implemented;
- supervises the proper implementation and assesses the effectiveness of the ethical scheme, and monitors the enforcement of the Group Code of Conduct together with its related procedures;
- receives, from the Ethics Director, the Company's annual activity Report on ethics and compliance, together with the actions undertaken; this committee examines and issues its opinion on the action programme for the following year, and monitors the developments in it;
- interviews the Ethics Director and, if it considers it necessary, the Chairmen of the Ethics and Compliance Committee and the Risks and Internal Control Committee;
- examines relations with stakeholders regarding any issue relating to ethics and to social and environmental responsibility;
- interviews the Company's Social Responsibility Director once a year on the actions conducted in this area;

- examines the section of the Report by the Chairman of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code relating to internal control and risk management procedures;
- formulates any recommendation to the Board of Directors or the Company's management bodies in the areas within its remit.

Within the scope of its authority, the CARE regularly interviews representatives of the following entities:

- the Audit, Risk Control and Organisation Department;
- the Group Protection and Risk Prevention Department;
- the Ethics Department;
- the Group Finance Department;
- the Statutory Auditors.

2. Remuneration Committee

2.1. Composition

The composition of the Remuneration Committee is as follows:

- a majority of independent directors;
- one director representing the employees or employee shareholders;
- a Chairman appointed from among the independent directors;
- the Chief Executive Officer may not be a member of this committee.

2.2. Missions

The Remuneration Committee's mission is to enable the Board of Directors to determine all the remunerations and benefits of the senior manager holding corporate office.

As such, the Remuneration Committee:

- proposes to the Board of Directors the amount of the fixed portion of the remuneration for the Chief Executive Officer;
- proposes to the Board of Directors the rules for setting the variable portion of the remuneration for the Chief Executive Officer and the amount of that variable portion;
- ensures the consistency of those rules with the annual or multi-year assessment of the Chief Executive Officer's performance, and with the Company's medium-term strategy;
- supervises the annual application of those rules;
- makes all recommendations to the Board of Directors concerning the remuneration, non-cash benefits and retirement benefits of the Chief Executive Officer;
- receives an information on the compensation policy applicable to the principal executive managers who are not executive directors of the Company; the Remuneration Committee may, for this purpose, invite the Chief Executive Officer;

- examines the general policy for long-term incentive plans and formulates proposals to the Board of Directors both on that policy and on long-term incentive awards;
- reviews the information sent to shareholders for the purposes of consulting them on the remuneration of a senior manager holding corporate office.

3. Nominations and Governance Committee

3.1. Composition

The composition of the Nominations and Governance Committee is as follows:

- a majority of independent directors;
- a Chairman appointed from among the independent directors;
- the Chief Executive Officer may not be a member of this committee.

3.2. Missions

The missions of the Nominations and Governance Committee are as follows:

- drawing up a procedure for selecting directors, the Chairman of the Board of Directors, the Managing Director (whether a separate person or not) and the corporate officers;
- making all proposals to the Board of Directors regarding appointment of the Chairman of the Board of Directors, the Managing Director (whether a separate person or not) and the corporate officers in compliance with that procedure;
- deciding whether to renew corporate officers whose terms of office are expiring, taking into account in particular the pattern of shareholdings in the Company, the balance between men and women on the Board of Directors and the need to maintain an appropriate proportion of independent directors;
- proposing solutions to the Board ensuring the succession to the senior manager holding corporate office in the event of unforeseen vacancies, in line with a succession plan developed beforehand by the Committee;
- making all proposals concerning the chairmanship, composition and duties of the different committees;
- monitoring corporate governance issues and enforcing compliance with the Afep/Medef Code;
- pointing out, where applicable, the Afep/Medef Code recommendations that have not been applied and explaining the reasons therefor in a clearly stated, relevant and detailed manner;
- proposing referral to the High Committee in charge of monitoring implementation of the Afep/Medef Code of any matter relating to a provision or the interpretation of said Code;
- examining the section of the report by the Chairman of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code relating to the composition of the Board and to the application of the principle of balanced representation of men and women on the Board, and the manner of preparing and organising the proceedings of the Board;

- drawing up, each year, with the assistance (where necessary) of an organisation outside the Company, an assessment of the composition of the Board, the manner of preparing and organising the Board's proceedings, and, where applicable, proposing amendments.

4. Strategy Committee (International & Industrial)

4.1. Composition

The composition of the Strategy Committee is as follows:

- directors chosen for their awareness of issues relating to the Company's international development and their competence in the industrial sector;
- a Chairman appointed from among the independent directors.

4.2. Missions

The missions of the Strategy Committee consist of:

- studying the strategic development lines proposed by the Chief Executive Officer regarding the industrial & international development of the Group and the Alliance, including the social and environmental impact of such development;
- reviewing industrial capacity projects;
- reviewing the main plants and the various projects for Group expansion and/or reduction, the competitiveness of the installed manufacturing sites and their supplier base, regardless of the location;
- examining the main strategic industrial policy lines by preparing the decisions for discussion by the Board of Directors;
- examining strategic agreement plans, partnerships and external acquisition or disposal transactions having a significant impact on the Group's industrial strategy;
- monitoring the Group's strategic projects in order to inform the Board of Directors.

IV. Exercise of the General Management function

1. Concentration of functions

The Board of Directors appoints the Chairman of the Board of Directors and the Managing Director. Since the Board has opted for concentration of functions, the person vested with the relevant powers shall assume the title of Chief Executive Officer. Thus, to simplify, these rules refer exclusively to the position of the Chief Executive Officer, it being stated that this officer acts, depending on the case, as Chairman of the Board of Directors or as Managing Director.

He/she cannot hold more than two other corporate-office positions in listed companies outside the Group, including foreign companies, and must seek the opinion of the Board of Directors before accepting a new corporate-office position in a listed company.

2. Missions of the Chief Executive Officer

The Chief Executive Officer must, for purposes of his/her duties as Chairman of the Board of Directors, carry out the missions described below.

The Chief Executive Officer organises and leads the proceedings of the Board of Directors, and reports on those proceedings to the Shareholders' General Meeting.

He/she ensures the proper operation of the Company's management bodies, with particular emphasis on the committees of the Board of Directors. In particular, in coordination with the Referee Director, the Chief Executive Officer ensures that the Directors are able to fulfil their missions, particularly on the committees on which they sit.

He/she ensures optimum implementation of the corporate governance principles.

He/she ensures that the Board devotes adequate time to the matters affecting the Company's future, with particular emphasis on its strategy, especially as regards the Alliance.

The Chief Executive Officer may attend, in a consultative capacity, all the meetings of the committees of the Board, subject to any conflicts of interest, and may consult them on any matter falling within their remit.

3. Balance of powers

In view of the concentration in one person of the functions of the Chairman of the Board of Directors and the Managing Director, the Board of Directors shall strive to institute mechanisms to safeguard the balance of powers.

3.1. Independence of the Board of Directors

A director is independent when he/she entertains no relationship whatsoever with the Company, its Group or general management, such as might compromise the exercise of his/her freedom of judgement. Thus, an independent director shall be understood to mean not only a non-executive director, i.e. one not performing management duties in the Company or its Group, but also one devoid of any particular bonds of interest (significant shareholder, employee or other) with these entities.

The Board of Directors shall determine each year, on a proposal by the Nominations and Governance Committee, the list of its members who are regarded as independent, on the basis of the criteria laid down in the Afep/Medef Code:

- not to be an employee or executive director of the corporation, or an employee or director of its parent or a company that the latter consolidates, and not having been in such a position for the previous five years;
- not to be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director

of the corporation (currently in office or having held such office for less than five years) is a director;

- not to be a customer, supplier, investment banker or commercial banker:
 - o that is material to the corporation or its group,
 - o or for a significant part of whose business the corporation or its group accounts.

The evaluation of how significant the relationship is with the company or its group must be debated by the Board and the criteria that lead to the evaluation must be explicitly stated in the reference document:

- not to be related by close family ties to an executive director;
- not to have been an auditor of the corporation within the previous five years; not to have been a director of the corporation for more than twelve years. Loss of the status of independent director on the basis of this criterion should occur only upon expiry of the term of office during which the 12-year limit is reached.

Although he or she may be an executive director¹¹, a Chairman of the Board may be considered as independent if the company can justify this based on the criteria set out above.

Directors representing major shareholders of the corporation or its parent company may be considered as being independent, provided that these shareholders do not take part in control of the corporation. Nevertheless, beyond a 10% holding of stock or votes, the Board, upon a report from the appointments or nominations committee, should systematically review the qualification of a director as an independent director, with regard to the make-up of the corporation's capital and the existence of a potential conflict of interest.

Renault's Board of Directors must be comprised of at least 50% independent directors, the rate being calculated in compliance with the recommendations of the Afep/Medef Code on the subject.

3.2. Lead director

The Board of Directors must, in line with the decision to concentrate in the same hands the functions of Chairman of the Board of Directors and of Managing Director, appoint from among the members of the Board a "lead director".

The role of lead director shall consist of coordinating the activities of the independent directors. The lead director also liaises between the Chief Executive Officer and the independent directors.

The lead director is appointed by the Board of Directors on a proposal by the Nominations and Governance Committee, from among the directors qualifying as independent. The lead director is appointed for the duration of his/her term of office as director, but the Board of Directors may terminate his/her mission at any time.

The duties of lead director may not be carried out for more than four consecutive years.

The lead director has the following missions:

- advising the Chairman of the Board of Directors and the Chairmen of each of the committees;
- ensuring that the directors are capable of fulfilling their missions under the best possible conditions, and in particular that they are very well-informed ahead of the meetings of the Board of Directors. He/she is also the special contact for the independent directors;
- managing and preventing conflicts of interest;
- ensuring compliance with the internal regulations;
- giving opinions on proposed items for inclusion in the agenda for meetings of the Board of Directors;
- chairing the meetings of the Board of Directors in the absence of the Chief Executive Officer; in particular, the lead director chairs discussions assessing the performance of the Chief Executive Officer and the setting of the latter's remuneration;
- calling a meeting of the Board of Directors in exceptional circumstances, after having sought the opinion of all the committee Chairmen;
- meeting the Group's managers on a regular basis;
- reporting on his/her activity in the Registration Document.

The lead director may also be a member of one or more of the Board's specialised committees. He/she may also attend meetings of the specialised committees of which he/she is not a member.

3.3. Limitation of the powers of the Chief Executive Officer

The Chief Executive Officer must obtain authorisation from the Board of Directors for any external-growth operation, acquisition or sale of any long-term equity investment in any companies created or to be created where the amount exceeds two hundred and fifty million euros (€250 million).

The Chief Executive Officer must inform the Board of Directors of any external growth operation, acquisition or sale of any long-term equity investment in any companies created or to be created where the amount exceeds 60 million euros (€60 million).