

Compensation components for the 2020 financial year and compensation policies for the 2021 financial year for corporate officers

The Board of Directors of Renault, at its meeting held on February 18, 2021, upon recommendation of the Governance and Compensation Committee, approved:

- the achievement rate of the performance criteria applicable to the variable portion of the compensation for the 2020 financial year of Mr Luca de Meo, Chief Executive Officer from July 1st, 2020, and of Ms Clotilde Delbos, interim Chief Executive Officer until June 30, 2020; and
- the compensation policies for the Chairman of the Board of Directors and the Chief Executive Officer for the 2021 financial year.

I. Compensation components of the corporate officers for the 2020 financial year

It is reminded that the Annual General Meeting of June 19, 2020 approved the compensation policy of the Chief Executive Officer for the 2020 financial year, set by the Board of Directors' meeting of February 13, 2020 with regard to the following items in particular:

- annual fixed compensation of €1,300,000 (pro-rated);
- annual variable compensation, fully payable in cash, of up to 150% of the fixed compensation in the event that all of the performance criteria are fully achieved; and
- long-term compensation comprising the allocation of 75,000 performance shares.

Furthermore, the compensation policy for the interim Chief Executive Officer for the 2020 financial year, which was also approved by the General Meeting of June 19, 2020, contains in particular the following items:

- annual fixed compensation of €371,329 (pro-rated);
- annual variable compensation, fully payable in cash, of up to 150% of the fixed compensation in the event that all of the performance criteria are fully achieved; and
- long-term compensation comprising the allocation of 27,500 performance shares.

On February 18, 2021, upon recommendation of the Governance and Compensation Committee, the Board of Directors approved the achievement rate of the performance criteria determining the amount of the annual variable compensation of the Chief Executive Officer and of the interim Chief Executive Officer for the 2020 financial year.

The total compensation of the Chief Executive Officer for the 2020 financial year corresponds to the strict implementation of his compensation policy, which has not been adjusted despite the major disruptions caused by the Covid-19 crisis.

The achievement rate of the performance criteria determining the amount of the annual variable compensation of the Chief Executive Officer and of the interim Chief Executive Officer for the 2020 financial year are as follows:

	Criteria	Weighting	Achievement	Details of payout rates and indicators for each criterion
QUANTIFIABLE CRITERIA (0% to 100% of fixed compensation)	Group operating margin (Group OM)	30%	0%	<ul style="list-style-type: none"> • 0% if Group OM < Budget • 24% if Group OM = Budget • 30% if Group OM ≥ Budget +0,2 point <p>Group OM was 3.7% in the 2020 budget and amounted to -0.8% for 2020.</p>
	Free Cash Flow (FCF) (before restructuring expenses)	30%	0%	<ul style="list-style-type: none"> • 0% if FCF < Budget • 24% if FCF = Budget • 30% si FCF ≥ Budget +50 % <p>FCF (before restructuring costs) was €150 million in the 2020 budget and amounted to €-4,212 million at December 31, 2020.</p>
	Group revenues	20 %	0 %	<ul style="list-style-type: none"> • 0% if Revenues < Budget • 16 % if Revenues = Budget • 20 % if Revenues ≥ Budget +2,5 % <p>Revenues were €55,5 million in the 2020 budget and amounted to €43,5 million for 2020.</p>
	CO₂ emissions (Based on the CAFE regulation for passenger vehicles registered in Europe. CAFE = Corporate Average Fuel Economy)	20%	20%	<ul style="list-style-type: none"> • 0% if CO₂ emissions > CAFE Objective • 20% if CO₂ ≤ Objectif CAFE Objective <p>The Group's CAFE performance in 2020 was 102.72g, (these results should be consolidated and formalized by the European Commission in the coming months), below the regulatory ceiling of 103.46g.</p>
	Sub-total	100%	20%	
QUALITATIVE CRITERIA (0% to 50% of fixed compensation)	Renault-Nissan-Mitsubishi Alliance	16.66%	16.66%	<p>All indicators related to this criterion have been met or exceeded.</p> <ul style="list-style-type: none"> • <i>Meetings of the Alliance Operating Board</i>: meetings of the Alliance Operating Board were held on a monthly basis. • <i>Implementation of leader/follower projects</i>: 8 projects (for a target of 7) have been implemented within this framework. • <i>Formalization of the regional optimization plans</i>: the regional optimization plans have all been formalized in 2020. • <i>Number of new partnership projects</i>: the number of new projects in 2020 confirms the dynamic of the Alliance.

	Quality of CSR commitments	16.66%	16.66%	<p>All indicators related to this criterion have been met or exceeded.</p> <ul style="list-style-type: none"> • <i>Health and safety (accident frequency rate)</i>: workplace safety objectives are measured in particular by the FR1 rate (frequency rate of accidents at work for Renault employees requiring outside care); the FR1 rate decreased in 2020 and stands at 1.33%, i.e. beyond the target which was set at 1.5%. There was also a notable drop in the most serious accidents. • <i>Gender pay-gap ratio</i>: specific actions in each country led to a reduction in the average wage gap between men and women. The target of an average gap of 4.1% has been exceeded to reach a rate of 2.8% by the end of 2020. • <i>Car recycling rate</i>: the car recycling rate target has been achieved. • <i>Maintaining good employee-employer relations worldwide and particularly in France (measured by the rate of commitment in the employee satisfaction survey)</i>: despite a very difficult context linked to the Covid-19 crisis, the rate of 76% was reached in 2020 (the same as in 2019).
	Customer satisfaction / Quality	16.66%	11.11%	<p>Two out of three indicators related to this criterion have been achieved.</p> <ul style="list-style-type: none"> • <i>Incident rate</i>: (number of incidents on vehicles under warranty after 3 months on the road): the commitment to reduce this rate was achieved with only one month's delay due to the Covid-19 crisis. • <i>Number of complaints per vehicle</i>: the indicator was not achieved given the suspension of the survey during the year due to the Covid-19 crisis • <i>Customer satisfaction level</i>: the criterion of 75% of the Group's top 16 countries with a customer satisfaction rate of over 80% has been met, with 13 countries having a rate above this threshold.
	Sub-total	50%	44.43%	
	TOTAL	150%	64.43 %	

A. Annual variable compensation of Mr Luca de Meo as Chief Executive Officer for the 2020 financial year

The Board of Directors, after noting that the overall achievement rate of the performance criteria was 64.43% for the 2020 financial year and recalling that the annual fixed compensation of Mr Luca de Meo was a gross amount of €650,000 for his term of office during the 2020 financial year (gross annual amount of €1,300,000 pro-rated over the period from July 1st to December 31, 2020), decided to set the variable compensation of Mr Luca de Meo in respect of the 2020 financial year at a gross amount of €418,773.

Pursuant to the provisions of Article L. 22-10-34 II. of the French Commercial Code (*Code de commerce*), the payment of this annual variable compensation is conditional upon the approval of the compensation components of Mr Luca de Meo in respect of the 2020 financial year by the Annual General Meeting to be held on April 23, 2021 (*ex-post say-on-pay*).

B. Annual variable compensation of Ms Clotilde Delbos as interim Chief Executive Officer for the 2020 financial year

The Board of Directors, after noting that the overall achievement rate of the performance criteria was 64.43% for the 2020 financial year and recalling that the annual fixed compensation of Ms Clotilde Delbos was a gross amount of €162,456 for her corporate office during the 2020 financial year (gross annual amount of €371,329 pro-rated over the period from January 1st to June 30, 2020, and reduced by 25% for the 2nd quarter of 2020 in a spirit of responsibility towards all of the Group's stakeholders who have made efforts or experienced the effects of the Covid-19 crisis), decided to set the variable compensation of Ms Clotilde Delbos in respect of the 2020 financial year at a gross amount of €104,665.

Pursuant to the provisions of Article L. 22-10-34 II. of the French Commercial Code (*Code de commerce*), the payment of this annual variable compensation is conditional upon the approval of the compensation components of Ms Clotilde Delbos in respect of the 2020 financial year by the Annual General Meeting to be held on April 23, 2021 (*ex-post say-on-pay*).

II. Compensation policies for the corporate officers for the 2021 financial year

The Board of Directors, at its meeting held on February 18, 2021, upon recommendation of the Governance and Compensation Committee, set the compensation policies for the corporate officers for the 2021 financial year.

Pursuant to the provisions of Article L.22-10-8 of the French Commercial Code (*Code de commerce*), the compensation policy for each corporate officer for the 2021 financial year will be submitted for approval to the Company's Annual General Meeting to be held on April 23, 2021.

A. Compensation policy for the Chairman of the Board of Directors

Annual fixed compensation

The annual fixed compensation for 2021 remains at a gross amount of €450,000 payable in twelve monthly instalments.

Annual variable compensation

The Chairman of the Board of Directors will not receive any annual variable compensation.

Multiyear variable compensation

The Chairman of the Board of Directors will not receive any multiyear variable compensation.

Exceptional compensation

The Chairman of the Board of Directors will not receive any exceptional compensation in 2021.

Long-term compensation

The Chairman of the Board of Directors will not receive any long-term compensation.

Compensation for directorship

The Chairman of the Board of Directors will not receive any compensation in respect of his office as director

Benefits of any kind

The Chairman of the Board of Directors benefits from two company cars, including one with driver. It also benefits from the same life insurance and supplementary healthcare schemes as for the employees in France.

Service provision agreements

No service provision agreement will be entered into between the Company and the Chairman of the Board of Directors.

Sign-on bonus

The Chairman of the Board of Directors does not receive any sign-on bonus.

Termination benefits

The Chairman of the Board of Directors does not benefit from any termination benefit, non-compete indemnity or top-up pension scheme.

B. Compensation policy for the Chief Executive Officer

The Chief Executive Officer's compensation is determined on consideration of the responsibilities and missions assumed and attached to his corporate office, as well as the level of his skills, his experience and career path.

It is based on the analysis made by the Governance and Remuneration Committee on the levels of his fixed remuneration found within CAC 40 companies and international automobile groups (Stellantis, General Motors, Ford, Honda, Daimler, BMW, Volkswagen, Volvo and Toyota).

Annual fixed compensation

The annual fixed compensation of the Chief Executive Officer remains unchanged compared to that of 2020 and is set at a gross amount of €1,300,000, payable in twelve monthly instalments.

Annual variable compensation

The amount of annual variable compensation may reach 150% of the fixed compensation paid if all of the performance criteria are fully achieved. The annual variable compensation is fully paid in cash.

For the 2021 financial year, the performance criteria set by the Board of Directors include five quantifiable criteria and three qualitative criteria. The Board has deemed these to be key indicators of Groupe Renault's performance.

The criteria and their weighting are shown in the tables below.

Quantifiable criteria for the 2021 financial year (0% to 100% of the fixed compensation)

The new strategic plan "Renaulution" was presented in January 2021, aiming to shift Groupe Renault's strategy from the search for volumes to value creation. The first phase of this "Renaulution" strategic plan will run until 2023 and will focus on improving margins and cash generation. In order to ensure a close link between the Group's strategy and the remuneration policy, it is therefore proposed, as compared to the compensation policy for 2020, to remove one criterion and to add two new criteria:

- The "Return on Capital Employed (ROCE)" criterion replaces the "Turnover" criterion in order to give priority to profitability objectives based on capital employed, in line with the new value creation strategy; and
- The "Fixed Costs (FC)" criterion has been added since the reduction of fixed costs is key for the first phase "Resurrection" of the strategic plan in order to ensure the success of the second phase "Renovation" of the plan..

In addition, the other criteria of the 2020 compensation policy are maintained because of their importance for the Group. These criteria are:

- the Group operating margin (Group OM);
- cash generation - Free cash flow (FCF); and
- CO₂ emissions (CAFE regulation).

An equal weighting of 20% has been assigned to each of them.

	Group operating margin (Group OM)	Free cash flow (FCF) *	Return on capital employed (ROCE)	CO ₂ emissions – CAFE regulation **	Fixed Costs (FC)
Weighting (as % of fixed compensation)	• 20% maximum.	• 20% maximum.	• 20% maximum.	• 20% if on target and maximum.	• 20% maximum.
Payout rate	<ul style="list-style-type: none"> • 0% if Group OM < Budget. • 16% if Group OM = Budget • 20% if Group OM ≥ Budget +0,2 point 	<ul style="list-style-type: none"> • 0% if FCF < Budget • 16% if FCF = Budget • 20% if FCF ≥ Budget +50 % 	<ul style="list-style-type: none"> • 0% if ROCE < Budget • 16% if ROCE = Budget • 20% if ROCE ≥ Budget +2 points 	<ul style="list-style-type: none"> • 0% if CO₂ > CAFE Objective • 20 % si CO₂ ≤ CAFE Objective 	<ul style="list-style-type: none"> • 0% if FC > Budget • 16% if FC = Budget • 20% if FC ≤ Budget -3 % • Linear interpolation if

	▪ Linear interpolation if Budget < Group OM < Budget +0,2 point	▪ Linear interpolation if Budget < FCF < Budget+50 %	▪ Linear interpolation if Budget < ROCE < Budget +2 points		Budget -3% < FC < Budget
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For reasons of commercial confidentiality, the Company does not disclose ex-ante target figures for these performance criteria. However, it will publish ex-post the rate of achievement of these criteria.

* The FCF in the 2021 budget includes €1 billion of dividend from RCI Banque.

** Based on the CAFE regulation for passenger vehicles registered in Europe. CAFE = Corporate Average Fuel Economy.

Qualitative criteria for the 2021 financial year (0% to 50% of fixed compensation)

The qualitative criteria are evolving compared to the 2020 compensation policy in order to take into account the stakes of the new strategic plan "Renaulution" which was presented in January 2021. The criterion of CSR commitments and that of customer satisfaction/quality are maintained. Achievement of these three qualitative criteria contributes directly to the Group's performance.

	“RENAULTION” new strategic plan	Quality of CSR commitments	Customer satisfaction / Quality
Weighting (as % of fixed compensation)	▪ 20% if on target and maximum	▪ 15% if on target and maximum	▪ 15% if on target and maximum
Indicators	<ul style="list-style-type: none"> ▪ Implementation of the new organization by Brand ▪ Development of the 8 key models of the Renaulution plan ▪ Level of invoicing within the Alliance between Renault, Nissan and Mitsubishi. 	<ul style="list-style-type: none"> ▪ Health and safety (accident frequency rate) ▪ Gender pay-gap ratio ▪ Define the climate strategy, roadmaps and indicators) 	<ul style="list-style-type: none"> ▪ Reduction of incident rate ▪ Customer satisfaction level

It should be noted that pursuant to Article L. 22-10-34 II. of the French Commercial Code (*Code de commerce*), payment of the annual variable compensation to the Chief Executive Officer for the 2021 financial year is subject to its approval by the Annual General Meeting to be held in 2022 to approve the financial statements for the financial year ending December 31, 2021.

Multiyear variable compensation

The Chief Executive Officer will not receive any multiyear variable compensation.

Exceptional compensation

The Chief Executive Officer will not receive any exceptional compensation in 2021.

Long-term compensation

Pursuant to the Company's compensation principles, a significant portion of the Chief Executive Officer's compensation consists of long-term compensation, the vesting of which is subject to performance criteria, to ensure alignment of the Chief Executive Officer's compensation with shareholder interests.

Long-term compensation takes the form of performance shares, allocated annually. The number of performance shares allocated to the Chief Executive Officer is expressed as an absolute number, rather than as a percentage of the salary, so that both upward and downward fluctuations in the share price will affect the total value of such long-term compensation.

The Chief Executive Officer receives performance shares under the same criteria as the other executives in the Group, subject to an additional performance criterion (total shareholder return -TSR) applied to him in his capacity as executive officer.

On the recommendation of the Governance and Compensation Committee, the Board of Directors of February 18, 2021 decided that 75,000 performance shares would be allocated to the Chief Executive Officer, representing the maximum number of performance shares that may be awarded in respect of the 2020 financial year.

Performance criteria will be measured over a cumulative three-year period (2021, 2022 and 2023).

Vesting of performance shares is also subject to a three-year presence condition starting from the date of the allocation by the Board of Directors.

The number of shares fully vested by the Chief Executive Officer out of the performance shares allocated to him will depend on the achievement of the following performance criteria:

Long-term performance criteria

	Total shareholder return (TSR)	Free cash flow (FCF) *	Annual increase in the net revenue per vehicle	CO ₂ emissions - Carbon footprint **
Weighting (as % of allocation)	▪ 25%	▪ 25%	▪ 25%	▪ 25%
Payout rate	<ul style="list-style-type: none"> ▪ 0% if TSR < benchmark. ▪ 11.35% if TSR = benchmark. ▪ 25% if TSR ≥ benchmark +10 %. ▪ Linear interpolation if benchmark < TSR < benchmark +10 %. 	<ul style="list-style-type: none"> ▪ 0% if FCF < Budget ▪ 17.5% if FCF = Budget ▪ 25% if FCF ≥ Budget +20 % ▪ Linear interpolation if Budget < FCF < Budget +20 %. 	<ul style="list-style-type: none"> ▪ 0% if annual increase percentage < 3 % ▪ 17.5 % if annual increase percentage = 3 % ▪ 25% if annual increase percentage ≥4 % ▪ Linear interpolation if 3 % < if annual increase percentage < 4 %. 	<ul style="list-style-type: none"> ▪ 0% if carbon footprint > Group objective ▪ 17.5% if carbon footprint = Group objective ▪ 25% if carbon footprint ≤ Group objective - 2,5 points. ▪ Linear interpolation if Group objective -2,5 points < carbon footprint < Group objective
	<ul style="list-style-type: none"> ▪ As this is a relative criterion, the amount of the target is not yet known. The Company will disclose the average figure and the relevant level of achievement at the end of the performance period. 	<ul style="list-style-type: none"> ▪ For reasons of commercial confidentiality, the Company does not disclose ex-ante the target figures for these criteria. However, it will publish the level of achievement for these criteria at the end of the performance cycle. 		<ul style="list-style-type: none"> ▪ The 2023 carbon footprint reduction target is aligned with the 2017-2022 trajectory and the Group's greenhouse gas reduction targets for 2030: i.e. -27% in 2023 compared with 2010.

* The FCF in the 2021 budget includes €1 billion of dividend from RCI Banque

** Objective by 2023 to reduce the carbon footprint (CO₂ emissions) of Groupe Renault's passenger and commercial vehicles registered worldwide, excluding AvtoVaz (the integration of AvtoVaz into the Group's objectives is planned from 2024).

Compensation for directorship

The Chief Executive Officer is not a director. Therefore, he will not receive any compensation in this respect.

Benefits of any kind

The Chief Executive Officer benefits from two company cars and one company car with a driver. He may also benefit from an international healthcare coverage.

It also benefits from the same life insurance and supplementary healthcare schemes as for the employees in France.

Service provision agreement

No service provision agreement will be entered into between the Company and the Chief Executive Officer.

Sign-on bonus

The Chief Executive Officer does not receive any sign-on bonus.

Termination benefit

The Chief Executive Officer is entitled to a severance payment equal to the average of the last two years' gross fixed and variable annual compensation, payable in one instalment within six months of the departure, in the event of dismissal at the initiative of the Board of Directors and subject to the achievement of performance conditions set by the Board of Directors.

This termination benefit will not be paid in the event of dismissal for serious or gross misconduct.

The total termination benefit and non-compete indemnity, in the event of implementation of the non-compete agreement (see below), may not exceed two years of annual fixed and variable compensation.

At its meeting held on February 13, 2020, the Board of Directors set the performance conditions for payment of the termination benefit. In order to receive this benefit, the following cumulative conditions should be met over the last two financial years preceding the departure (only one financial year in the event of departure during 2021):

- a minimum total achievement rate of 80% of the performance criteria for the annual variable compensation of the Chief Executive Officer;
- achievement of the Group's free cash flow target.

Non-compete indemnity

At its meeting held on February 13, 2020, the Board of Directors authorized the conclusion of a non-compete agreement with Mr Luca de Meo.

The Board of Directors considered that it is in Renault's interest to enter into this non-compete agreement which will protect Groupe Renault's legitimate interests, given the particularly competitive nature of the automotive market, the importance of the functions and the recognized skills of Mr Luca de Meo in this market, the means available to him, and the sensitive information he holds and to which he can have access.

Under this agreement, Mr Luca de Meo commits, as of the end of his term of office as Chief Executive Officer, not to engage, directly or indirectly, in an activity that competes with those of the Group, on his own behalf, on behalf of companies in the automotive design, construction and marketing sectors (mainly passenger cars and commercial vehicles), or on behalf of automotive suppliers.

Application of this clause is limited to:

- a period of twelve (12) months following the date on which Mr Luca de Meo effectively ceases to exercise his term of office;
- the countries of the European continent and Japan, as well as European and Japanese vehicle and equipment manufacturers.

As consideration for his non-compete obligation, Mr Luca de Meo will receive from the Company, during the period of application of the agreement (twelve months) and subject to there being no breach of this agreement, gross financial compensation corresponding to one year of gross annual compensation (fixed compensation and annual variable compensation paid in cash), payable in twelve monthly instalments. The gross annual compensation used for this calculation will be the one paid during the twelve months preceding the date of termination of the corporate office.

In accordance with the recommendation of the AFEP-MEDEF Code at the time of Mr Luca de Meo's departure, the Board of Directors of the Company will decide whether to apply this non-compete agreement and may unilaterally waive it. Furthermore, no compensation will be due in the event of retirement or if Mr Luca de Meo has reached the age of 65.

Top-up pension scheme

The Chief Executive Officer benefits from a top-up pension scheme identical to that arranged for the members of the Group Executive Committee (the so-called "Article 83" and "Article 82" plans).

a) Mandatory defined-contribution pension scheme (Article 83)

The contributions represent:

- 3.5% of the gross annual compensation between four and eight times the French Social Security cap (Band C), paid 2.5% by the Company and 1% by the Chief Executive Officer;
- then 8% of the gross annual compensation between eight and sixteen times the French Social Security cap (Band D), paid 5% by the Company and 3% by the Chief Executive Officer.

The total amount of the contributions (both Company's and officer's share) is capped at a lump sum equal to 8% of eight times the French Social Security Cap.

b) Optional defined-contribution pension scheme (Article 82)

The Chief Executive Officer will benefit from the new defined-contribution pension scheme that will be set up from May 1, 2020 for the benefit of the corporate officers and members of the Group's Executive Committee.

This new scheme provides for the payment by the Company to a third-party entity (an insurer) of contributions equal to 12.5% of the gross annual compensation (fixed and variable) actually received.

The contributions paid in this way do not benefit from any preferential tax or social security regime. For this reason, the Chief Executive Officer will receive a lump-sum indemnity equal to the amount of the contribution paid on his behalf to the insurer. Payment of this indemnity will be concomitant to the payment of the contribution to the insurer.

The contributions and lump-sum indemnity amounts will be dependent on the Company's performance insofar as the calculation basis includes the variable portion of the compensation which is related to the Group's results.

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