

RENAULT SIGNS A NEW, FAIRER PROFIT-SHARING AGREEMENT WITH HIGHER REWARDS

- **Renault management and two trades unions, CFDT and CFE-CGC, have signed a new three-year profit-sharing agreement for the period 2014-2016, intended for employees of Renault s.a.s. and manufacturing subsidiaries in France.**
- **The new agreement, consistent with the previous one, has two profit-sharing mechanisms: one based on the Group's financial results, the other on the local performance of each entity.**
- **In accordance with the commitments made in the agreement signed on March 13, 2013, the rules for calculating a share in the company's financial results are fairer and more rewarding, as soon as the Group's operating margin exceeds 3% of revenues.**

According to Marie-Françoise Damesin, Executive Vice President, Human Resources: "This new profit-sharing agreement is simpler and clearer. It allows each employee to know how much they will receive on the basis of the operating margin. Everyone will be able to make the direct link between the company's results and their own pay packet".

PROFIT-SHARING BASED ON THE COMPANY'S FINANCIAL RESULTS

In keeping with the previous agreement, **the amount paid to employees is computed directly on the operating margin**. The uniform portion of the profit-sharing scheme increases significantly once the operating margin exceeds 3% of turnover, making for a fairer distribution of the results among all employees. Moreover, two thresholds have been set to enhance the reward-based aspect of profit-sharing by increasing the variable portion of the payout in line with the increase in the operating margin.

Three formulae will be used, allowing every employee to know how much they will receive (in proportion to their working time) on the basis of the operating margin:

- **For an operating margin between 0% and 3%: €250 + [(14.7 x the operating margin**

rate) – 6.1] per €100 of average monthly pay, If the operating margin is between 0.1% and 0.4% of revenue, then only the standard amount will be paid (between €60 and €240),

- For an operating margin between 3.1% and 4%: €300 + [(16.1 x the operating margin rate) – 11.4] per €100 of average monthly pay,
- For an operating margin higher than 4%: €300 + [(17.8 x the operating margin rate) – 18.5] per €100 of average monthly pay,

The share in the profits will be paid only if free cash flow in the financial period is positive. An agreement has also been reached on a flat-rate bonus based on the results of France's 3-year plan. The calculation method will be subject to an amendment negotiated in the first half of 2014.

PROFIT-SHARING BASED ON LOCAL PERFORMANCE

Depending on the nature of its business, each establishment will choose its own indicators from the list included in the agreement, in four categories (quality, costs, lead-times, and human resources). The values of these indicators and the amounts paid out on the basis of the results will be determined locally. Each entity can also choose one or two specific indicators.

For More Information:

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