



Governance principles

For many years, Peugeot S.A. has complied with recommendations contained in the AFEP-MEDEF Corporate Governance Code, after adapting it for a joint stock company with a Managing Board and a Supervisory Board, and with its application guide. This Code can be viewed on the Internet in its version revised in November 2016: <http://www.medef.com>

A table summarising the departures from the AFEP-MEDEF Code with the related explanations can be found in [Section 3.2.1.6].

Report of the Supervisory Board on corporate governance

This section on corporate governance reports on:

- the membership of the Managing Board and the Supervisory Board, and it presents the corporate officers, listing their directorships and positions;
- the diversity policy implemented on the Board, with particular reference to the balanced representation of women and men;
- the methods and procedures for preparing and organising the work of the Supervisory Board, and its operating procedures;

- the principles and standards set by the Supervisory Board to determine the policy for compensation of corporate officers, and the total compensation, the benefits of all kinds awarded to the corporate officers in respect of the elapsed financial year, and the commitments of all kinds made by the Company in favour of the corporate officers.

This information forms part of the Report of the Supervisory Board on Corporate Governance pursuant to Article L.225-68 of the French Commercial Code.

For information, the Report on Corporate Governance was approved by the Supervisory Board at its meeting on 28 February 2018.

For all detailed information concerning the share capital and financial matters with a likely incidence in the event of a public offer for purchase or exchange, please refer to Section 7 of this Registration Document.

For any information concerning related-party agreements, please refer to section 6.7; for the Supervisory Board's observations on the activity for the past financial year, the financial statements and the management report of the Management Board, please refer to section 5.6 of this Registration Document.

3.1. MANAGEMENT AND SUPERVISORY BODIES

Since 1972, Peugeot S.A. has had a two-tier management structure comprising a Managing Board, responsible for strategic and operational management, and a Supervisory Board, responsible for oversight and control. This separation is especially effective in

addressing the concern for a balance of power between the executive and oversight functions, as reflected in the principles of good corporate governance.

3.1.1. The Executive Committee of Groupe PSA and the Managing Board

EXECUTIVE COMMITTEE

The Executive Committee (COMEX) is responsible for the Group's executive management.

Its members are detailed in the Group functional organisation chart in Section 1.2 of this Registration Document.

THE MANAGING BOARD

Managing Board members are appointed by the Supervisory Board for four-year terms. They may be removed from office by the

Supervisory Board pursuant to the Company by-laws, or by shareholders in a Shareholders' Meeting, in accordance with French company law.

The term of office of the serving members of the Managing Board was renewed by the Supervisory Board at its meeting on 22 February 2017, for a four-year term, until 2021.

CHANGES IN 2017

No term of office of the members of the Managing Board expired during the financial year 2017.

INFORMATION ABOUT CURRENT MANAGING BOARD MEMBERS

CARLOS TAVARES



Portuguese national

Born 14 August 1958

Business address:
Groupe PSA,
7, rue Henri Sainte
Claire Deville,
92500 Rueil-Malmaison,
France

**First appointed
to the Managing Board:**
1 January 2014

**Date of most recent
renewal of term:**
22 February 2017

Current term expires:
2021 (4-year term)

Chairman of the Peugeot S.A. Managing Board

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Director of Banque PSA Finance S.A.		√
Director of Faurecia S.A.	√	√
Chairman of the Board of Directors, PSA AUTOMOBILES S.A.		√
Director of AIRBUS Group S.E.	√	
Director of TOTAL S.A.	√	
President of ACEA (European Automobile Manufacturers' Association)		
Chairman of the Supervisory Board of Opel Automobiles GmbH		√

Other directorships and positions in the past five years:

- › Chief Operating Officer of RENAULT and member of the Managing Board of the RENAULT-NISSAN Alliance
- › Director of RENAULT NISSAN B.V.
- › Director of PCMA Holding B.V.
- › Director of AVTOVAZ
- › Director of ALPINE-CATERHAM
- › Chairman of the Management Committee of NISSAN AMERICAS
- › Manager of a Bed & Breakfast micro-enterprise in Lisbon

Relevant expertise and professional experience:

After graduating from *École Centrale de Paris*, Carlos TAVARES held various management positions within the Renault Group between 1981 and 2004 before joining the Nissan Group. He headed that Group's operations in the Americas region, after which in 2011, he was appointed Chief Operating Officer of the Renault Group, a position he held until 2013. He joined the Peugeot S.A. Managing Board on 1 January 2014, becoming the Board's Chairman on 31 March 2014.

Number of Peugeot S.A. securities owned as of 31 December 2017: 131,000 shares.



JEAN-BAPTISTE CHASSELOUP DE CHATILLON


French national
 Born 19 March 1965
 Business address:
 Groupe PSA,
 7, rue Henri Sainte
 Claire Deville,
 92500 Rueil-Malmaison,
 France

First appointed to the Managing Board:
 13 March 2012

Date of most recent renewal of term:
 22 February 2017

Current term expires:
 2021 (4-year term)

Member of the Managing Board of Peugeot S.A.

**Chief Financial Officer
 Information Systems Executive Director**

Other directorships and positions as of 31 December 2017:

	Listed company	Group Company
Director of AUTOMOBILES CITROËN S.A.		√
Permanent Representative of Peugeot S.A. on the Board of Directors of AUTOMOBILES PEUGEOT S.A.		√
Director of Faurecia S.A.	√	√
Permanent Representative of AUTOMOBILES PEUGEOT on the Board of Directors of Banque PSA Finance S.A.		√
Vice-Chairman and Chief Executive Officer of PSA INTERNATIONAL S.A.		√
Director of DONGFENG PEUGEOT CITROËN AUTOMOBILE COMPANY LTD.		√
Director of CHANGAN PSA AUTOMOBILES CO. LTD.		√
Supervisory Director of PSA (Wuhan) MANAGEMENT COMPANY LTD.		√
Supervisory Director of Dongfeng Peugeot Citroën Automobiles SALES COMPANY LTD.		√
Vice-Chairman of the supervisory board of GEFCO S.A. (Affiliate of Groupe PSA)		
Chairman of MISTER AUTO S.A.		√
Chairman of CARONWAY S.A.S.		√
Director of IKAP PJSC		√
Director of Saipa Citroën Compagny PJSC		√
Member of the Supervisory Board of Opel Automobiles GmbH		√

Other directorships and positions in the past five years:

- › Chairman of the Board of Directors, Banque PSA Finance S.A.
- › Chairman of A.S.M. Auto Sud Marché SAS
- › Director of PEUGEOT CITROËN AUTOMOBILES S.A.
- › Director of PCMA HOLDING B.V.
- › Director of GEFCO S.A.
- › Director of CCFA
- › Permanent Representative of CCFA on the Board of Directors of AUTO MOTO CYCLE PROMOTION
- › Chairman of the supervisory board of PEUGEOT FINANCE INTERNATIONAL N.V.

Relevant expertise and professional experience:

A graduate of *Université Paris Dauphine* and Lancaster University (United Kingdom), Jean-Baptiste CHASSELOUP de CHATILLON held various management positions within the Groupe PSA before becoming Group Financial Controller in 2007. He has been a member of the Peugeot S.A. Managing Board since 2012. He is currently Chief Financial Officer of Groupe PSA and Executive Vice-President, Information Systems, with additional responsibility for Replacement Parts & Services.

Number of Peugeot S.A. securities owned as of 31 December 2017: 66,943 shares and 1,005 equity warrants.

Number of units in the Groupe PSA Employee Stock Ownership Fund as of 31 December 2017: 788 units.

MAXIME PICAT



French national
Born 26 March 1974
Business address:
Groupe PSA,
7, rue Henri Sainte
Claire Deville,
92500 Rueil-Malmaison,
France
**First appointed
to the Managing Board:**
1 September 2016
**Date of most recent
renewal of term:**
22 February 2017
Current term expires:
2021 (4-year term)

Member of the Managing Board of Peugeot S.A.
Executive Vice-President, Europe

Other directorships and positions as of 31 December 2017:

	Listed company	Group Company
Director of PSA AUTOMOBILES S.A.		√
Chief Executive Officer of PEUGEOT CITROËN AUTOMOBILE COMPANY LTD.		√
Director and Chief Executive Officer of Director of PEUGEOT CITROËN AUTOMOVILES ESPAÑA S.A.		√
Chairman of the Board of Directors and Director of PEUGEOT CITROËN AUTOMOVEIS S.A.(Portugal)		√
Member of the supervisory board of Opel Automobiles GmbH		

Other directorships and positions in the past five years:

- › Chairman and Chief Executive Officer of AUTOMOBILES PEUGEOT S.A.
- › Director of DONGFENG PEUGEOT CITROËN AUTOMOBILE SALES COMPANY LTD
- › Director of DONGFENG PEUGEOT CITROËN AUTOMOBILE COMPANY LTD
- › Director of PEUGEOT ESPAÑA S.A.
- › Director of BERI ITALIA SRL
- › Chairman of the Board of Directors and Director of PEUGEOT MOTOR COMPANY PLC
- › Permanent Representative of AUTOMOBILES PEUGEOT on the Board of Directors of Banque PSA Finance S.A.
- › Chairman of the Board of Directors and subsequently Member of the Supervisory Board of PEUGEOT MOTOCYCLE S.A.S.
- › Chief Executive Officer of PEUGEOT CITROËN AUTOMOBILE COMPANY LTD
- › Director of the PSA Corporate Foundation

Relevant expertise and professional experience:

A graduate of *École des Mines de Paris* engineering school, Maxime PICAT joined the Group in 1998. He has extensive experience in manufacturing: having held several positions in Mulhouse, France, he became manufacturing manager of the Sochaux plant before being appointed as Plant Manager of the Wuhan production plant in November 2007. In January 2011, Maxime PICAT was appointed Chief Executive Officer of Dongfeng Peugeot Citroën Automobiles (DPCA), after serving as Chief Operating Officer from August 2008 to January 2011. On 1 October 2012, he was appointed Chief Executive Officer of the Peugeot brand. Since 1 September 2016, he is Executive Vice-President, Europe, and a member of the Managing Board.

Number of Peugeot S.A. securities owned by Maxime PICAT as of 31 December 2017: 41,000 shares.

Number of units in the Groupe PSA Employee Stock Ownership Fund as of 31 December 2017: 2,366 units.



JEAN-CHRISTOPHE QUÉMARD



French national
Born 30 September 1960
Business address:
Groupe PSA,
7, rue Henri Sainte
Claire Deville,
92500 Reuil-Malmaison,
France
**First appointed
to the Managing Board:**
13 March 2012
**Date of most recent
renewal of term:**
22 February 2017
Current term expires:
2021 (4-year term)

Member of the Managing Board of Peugeot S.A.
Executive Vice-President, Africa-Middle East

Other directorships and positions as of 31 December 2017:

	Listed company	Group Company
Permanent Representative of AUTOMOBILES PEUGEOT on the Board of Directors of TUNISIENNE AUTOMOBILE FINANCIÈRE IMMOBILIÈRE ET MARITIME (STAFIM)		√
Director of PEUGEOT CITROËN AUTOMOBILES MAROC S.A.		√
Director of IKAP PJSC		√
Director of SOPRIAM S.A.		√
Director of PEUGEOT CITROËN DS MAROC S.à.r.l.		√

Other directorships and positions in the past five years:

- › Director of BMW PEUGEOT CITROËN ÉLECTRIFICATION
- › Director of PCMA HOLDING B.V.
- › Director of IFPEN (IFP Energies Nouvelles)
- › Director of Dongfeng Peugeot Citroën Automobiles COMPANY LTD.
- › Chairman of the Board of Directors of GM PSA PURCHASING SERVICES S.A.
- › Executive Vice-President of Programs, PSA

Relevant expertise and professional experience:

Jean-Christophe QUÉMARD is a graduate of the *École des Mines* at Saint-Étienne and of the *École du Pétrole et des Moteurs*. He joined Groupe PSA in 1986. He held various positions, particularly in the Automotive Platforms and Technologies Department, where he was named Director. Appointed to the Expanded Executive Committee and named Vice-President, Purchasing, in 2008, he became a member of the Executive Committee in 2009. He was appointed Executive Vice-President, Programmes in September 2010. Since 1 September 2014, he has been Executive Vice-President, Africa-Middle East.

Number of Peugeot S.A. securities owned as of 31 December 2017: 66,781 shares.

Number of units in the Groupe PSA Employee Stock Ownership Fund as of 31 December 2017: 1,338 units.

In accordance with the recommendation set out in paragraph 18 of the AFEP-MEDEF Corporate Governance Code, Managing Board members systematically consult the Supervisory Board before agreeing to become a corporate officer of any listed company outside the Group.

3.1.2. The Supervisory Board

3.1.2.1. CURRENT MEMBERSHIP

The Supervisory Board's size and membership reflect the capital structure of Peugeot S.A., which is set out in greater detail in Section 7.3 of this Registration Document.

In accordance with the shareholders' agreement signed on 28 April 2014 between the three main shareholders and the Company, each of the three main shareholders (namely, the Peugeot family group (*Établissements Peugeot Frères* - hereafter "EPF" - and FFP), Dongfeng (*via* Dongfeng Motor (Hong Kong) International Co. Ltd. - hereafter "DMHK") and Bpifrance (Lion Participations and Bpifrance Participations) - which in June 2017 bought out the whole of SOGEPA's interest in the Company's share capital - proposed the appointment of two members of the Board. One of the two members proposed by the main shareholders has been appointed Vice-Chairman.

At 28 February 2018, the Supervisory Board comprised the following fourteen members, of whom:

- six members proposed by the three main shareholders;
- six independent members;
- one employee representative and one employee shareholder representative.

The mandates and functions of Chairman and Vice-Chairman are undertaken by two independent members.

The members of the Supervisory Board are appointed for four-year terms and, as recommended in the AFEP-MEDEF Code (paragraph 13.2), those terms are staggered, making for harmonious renewal of the Board's membership and allowing detailed examination of candidatures to cater for the expertise required.

3.1.2.2. DEVELOPMENTS IN 2017

On 19 June 2017, SOGEPA, one of the main shareholders in Peugeot S.A., sold the whole of its shares in that company to Bpifrance (*via* its holding company, Lion Participations) which, at the time of that sale, took over all the vendor company's rights and obligations and acceded to the terms of the shareholders' agreement.

Following the sale of those shares, the members of the Supervisory Board whose appointment had been proposed by the State, namely Mr Jack AZOULAY, Mrs Florence VERZELEN, and the non-voting member of the Supervisory Board, Mr Aymeric DUCROCQ, resigned from the Board. Their resignation was formally noted by the Supervisory Board on 25 July 2017.

The Supervisory Board meeting of 25 July 2017 appointed the members whom Bpifrance proposed, pursuant to the Shareholders' Agreement between the three main shareholders, those members being Lion Participations (represented by Mr Daniel BERNARD), and Bpifrance Participations (represented by Mrs Anne GUÉRIN).

At the same date, the Supervisory Board stated the DMHK' appointment, as its new permanent representative, of Mr LIU Weidong, who thereupon resigned from his membership of the Board in his personal capacity. Consequently, at its meeting on 25 July 2017, the Board appointed for the remainder of the term Mr AN Tiecheng, in replacement of Mr LIU Weidong.

At that meeting on 25 July 2017, the Board also appointed Mr Geoffroy ROUX de BÉZIEUX as Vice-Chairman, combining that office with the position as Senior Independent Member in which he had sat for many years.

Also at that meeting on 25 July 2017, the Board appointed two new non-voting members of the Supervisory Board, Mr Alexandre OSSOLA and Mr LV Haitao, following the resignations of Mr Aymeric DUCROCQ and Mr WEI Wenqing.

Furthermore, following the expiry of the term of office of Mrs Anne VALLERON, a member representing employee shareholders on the Supervisory Board, and having noted that the share of employee shareholders in the company's share capital had fallen below 3% of the registered capital, on a proposal by the Managing Board and the Supervisory Board, the Company's by-laws were amended by the Shareholders' General Meeting on 10 May 2017 in order for employee shareholders to continue to be represented on the Supervisory Board. Mrs Bénédicte JUYAUX, appointed by the same Shareholder's General Meeting on 10 May 2017, sits as a member representing the employee shareholders.

Date of effect	Change occurred
19 June 2017	Resignation of Mr Jack AZOULAY as member of the Supervisory Board
23 June 2017	Resignation of Mr WEI Wenqing as non-voting member of the Supervisory Board
24 June 2017	Resignation of Mrs Florence VERZELEN as member of the Supervisory Board
24 June 2017	Resignation of Mr LIU Weidong as member of the Supervisory Board
24 June 2017	Resignation of Mr Aymeric DUCROCQ as non-voting member of the Supervisory Board
25 July 2017	Interim-appointment of the company Lion Participations, represented by Mr Daniel BERNARD, as member of the Supervisory Board, in replacement of Mrs Florence VERZELEN
25 July 2017	Interim-appointment of the company BPIfrance Participations, represented by Mrs Anne GUERIN, as member of the Supervisory Board, in replacement of M. Jack AZOULAY
25 July 2017	Interim-appointment of Mr AN Tiecheng, as member of the Supervisory Board in replacement of Mr LIU Weidong
25 July 2017	Statement of the appointment by DMHK of M. LIU Weidong as permanent representative
25 July 2017	Appointment of Mr LV Haitao as non-voting member of the Supervisory Board
25 July 2017	Appointment of Mr Alexandre OSSOLA as non-voting member of the Supervisory Board





CORPORATE GOVERNANCE

Management and Supervisory Bodies

3.1.2.3. TABLE OF THE SUPERVISORY BOARD MEMBERSHIP

This table summarises the membership of the Supervisory Board and of its committees at the date of this report.

Also shown are the overall length of tenure of office by each of the members, reckoned at the date of this report, the percentage of

independent members on the Board and the gender equality ratio between men and women and the attendance rate of members at the Board and committees meetings.

Members of the Supervisory Board	Date of first appointment	Date of most recent renewal of term	Overall length of tenure ⁽¹⁾	Term of office expiry date	Age	Independent according to the AFEP-MEDEF Code	Equality between Men & Women	Main function	Membership of a committee	Attendance to the Supervisory Board meeting	Attendance to the meetings of committees		
Louis GALLOIS Chairman	12 February 2013	SGM 2014	5	SGM 2018	74	√	M	Chairman of the Supervisory Board of Peugeot S.A.	Strat. Comm., ACGC	100%	100%		
Geoffroy ROUX de BEZIEUX Vice-Chairman	23 May 2007	SGM 2017	10	SGM 2021	55	√	M	Chairman of Notus Technologies	ACGC (Chmn.), FAC	100%	100%		
Marie-Hélène PEUGEOT RONCORONI (Permanent Representative of EPF)	2 June 1999	SGM 2014	18	SGM 2018	57		W	Chief Operating Officer of EPF	ACGC, Asia BD Committee	100%	100%		
LIU Weidong (Permanent Representative of DMHK)	4 June 2015	-	2	SGM 2018	51		M	Deputy General Manager of Dongfeng Motor Corporation	Strat. Comm., ACGC	75%	100%		
Anne GUERIN (Permanent Representative of Bpifrance Participations)	25 July 2017	-	-	SGM 2018	49		W	Vice-President in charge of Financing and Network and of Bpifrance	ACGC FAC	100%	100%		
Daniel BERNARD (Permanent Representative of Lion Participations)	25 July 2017	-	-	SGM 2021	72		M	Vice-Chairman of the Board of Directors of CAPGEMINI	Strat. Comm., Asia BD Committee	100%	100%		
Catherine BRADLEY	23 February 2016	SGM 2016	2	SGM 2020	58	√	W	Independent Director (FCA)	FAC (Chmn.), ACGC	100%	100%		
Pamela KNAPP	31 May 2011	SGM 2017	6	SGM 2021	59	√	W	Independent Director	ACGC, FAC	87%	100%		
Jean-François KONDRATIUK Employee representative (appointed pursuant to Article L. 225-79-2 of the French Commercial Code)	24 April 2013	Group European Works Council 2014	5	Group European Works Council 2018	67		M	Groupe PSA employee	Strat. Comm., Asia BD Committee	100%	100%		
Helle KRISTOFFERSEN	27 April 2016	SGM 2017	2	SGM 2021	53	√	W	Vice-President, Strategy and Head of "low-carbon" business lines of Total	Strat. Comm., Asia BD Committee	100%	83%		
AN Tiecheng	25 July 2017	-	-	SGM 2018	51		M	Chairman of the Board of Dongfeng Peugeot Citroën Automobile Company Ltd. (DPCA)	Asia BD Committee (Chmn.), FAC	75%	100%		
Robert PEUGEOT (Permanent representative of FFP)	6 February 2007	SGM 2014	11	SGM 2018	67		M	Chairman and Chief Executive Officer of FFP	Strat. Comm. (Chmn.), FAC	100%	100%		
Henri Philippe REICHSTUL	23 May 2007	SGM 2017	10	SGM 2021	68	√	M	Director at several companies	Strat. Comm., Asia BD Committee	100%	100%		
Bénédicte JUYAUX Member representing employee-shareholders (appointed pursuant to Article L. 225-71-71 of the French Commercial Code)	10 May 2017	-	-	SGM 2021	57		W	Groupe PSA employee	ACGC FAC	100%	100%		
Corporate governance indicators										50% ⁽²⁾	46% ⁽³⁾	97% ⁴	96% ⁴

SGM: Shareholders' General Meeting; Asia BD Committee: Asia Business Development Committee; GEWC: Group European Works Council; ACGC: Appointments, Compensation and Governance Committee; FAC: Finance and Audit Committee; Strategic Committee

(1) The date of drafting this Report by the Supervisory Board on Corporate Governance is also used in determining the overall length of tenure.

(2) Employee representatives and employee shareholders are not included in this percentage (AFEP-MEDEF Code, Article 8.3).

(3) Employee representatives are not included in this percentage.

(4) Attendance rate calculated taking into account the attendance rates of Mr. Jack AZOULAY (100% at Board and committee meetings), M. LIU Weidong (100% at Board meetings and 75% at committee meetings), Ms. Anne VALLERON (100% at Board meetings and 100% at committee meetings), and Ms. Florence VERZELEN (100% at Board meetings and 100% at Board meetings) % at committee meetings).

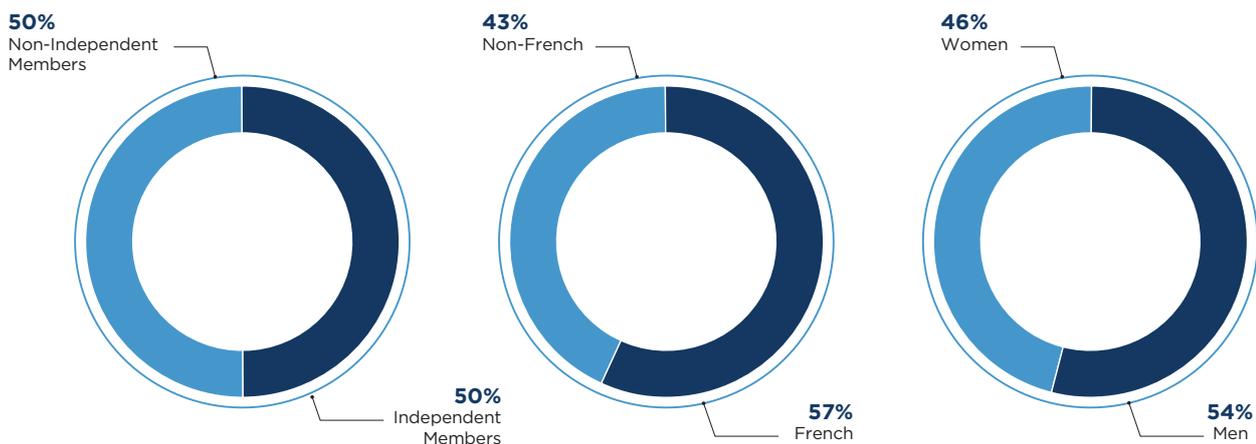
3.1.2.4. THE DIVERSITY POLICY IMPLEMENTED ON THE BOARDS AND THE BALANCED REPRESENTATION OF WOMEN AND MEN

In accordance with the recommendation of the AFEP-MEDEF Code, paragraph 6.2, the Board regularly examines whether the desired balance is struck in its membership and that of its committees, having regard to the composition of and changes to the ownership structure of the Company and the representation of diversity on the Board. Pursuant to Article L.225-69 of the French Commercial Code, the Board currently comprises six female and eight male members. The rate of feminization of 46% is unchanged from 2014

and is calculated according to the law, without taking into account the member representing employees.

The Board currently includes six independent members, representing 50%.

The Board also has six members of foreign nationality (Mrs Pamela KNAPP, Mrs Helle KRISTOFFERSEN, who has dual French/Danish nationality, Mrs Catherine BRADLEY, who has dual French/British nationality, Mr AN Tiecheng, Mr LIU Weidong and Mr Henri Philippe REICHSTUL), and all non-employee members have experience within an international business environment. The Board's objective is to continue the internationalisation of its members through the presence of foreign members or members with extensive international experience.



3.1.2.5. THE INDEPENDENT MEMBERS

The Appointments, Compensation and Governance Committee ensures the maintenance of the proportion of the independent members of the Supervisory Board, in accordance with the recommendations of the AFEP-MEDEF Code (paragraphs 16.1 and 17.1), which state that the independent members should make up at least one-half of the Board's members.

As stated in the Internal Rules of the Supervisory Board, "members of the Supervisory Board represent all shareholders and must always act in the corporate interests of the Company. Each member of the Supervisory Board shall strive to ensure that their analysis, judgement, decision-making and action are independent, to benefit the Company's interest. They agree not to seek out or to accept any benefit likely to undermine this".

On a recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board reviewed the position of each of its members with regard to the independence criteria selected by the Company (paragraph 8 of the AFEP-MEDEF Code) at its meeting on 28 February 2018:

- not be an employee or Executive Director of the Managing Board, or an employee or director of its parent company or of a company which it consolidates or has consolidated in the last five years;
- not be an Executive Director of the Managing Board of a company in which the Company holds directly or indirectly a director term of office or in which an employee designated as such or an Executive Director of the Managing Board of the Company (either currently or in the last five years) holds a director term of office;
- not be a major client, supplier, investment banker or corporate banker of the Company or its Group, or for which the Company or its Group represents a significant part of its business;
- must have no close family ties with a corporate officer;

- must not have been a Statutory Auditor of the Company in the last five years;
- must not have been a Company director during the last 12 years.

On the basis of these criteria, the Supervisory Board classified six members as independent:

- Mr Louis GALLOIS (Chairman of the Supervisory Board);
- Mr Geoffroy ROUX de BEZIEUX (Vice-Chairman and Senior Independent Member);
- Mrs Catherine BRADLEY;
- Mrs Pamela KNAPP;
- Mrs Helle KRISTOFFERSEN; and
- Mr Henri Philippe REICHSTUL.

This puts the proportion of independent members at 50%.

It should be recalled that, in accordance with paragraph 8.3 of the AFEP-MEDEF Code, member representing employees or employee shareholders are not included when calculating this percentage.

It is recalled that the Supervisory Board, on the basis of the analysis driven by the Appointments, Compensation and Governance Committee, has conducted a qualitative and a quantitative examination of business relationships between Groupe PSA and the companies in which the members of the Supervisory Board hold other office and/or exercise other duties, on the basis of the following criteria :

- the overall duration of the term (quantitative criterion),
- the sale revenue generated by the business relationship (quantitative criterion), and
- the analysis of the type of business relationship between the two companies, as well as the type of the function or responsibilities carried on, having or not an impact on operational decision-making within the concerned companies (qualitative criteria).



Particular attention was paid to examining situations of Mrs Pamela KNAPP, director at the Compagnie de Saint Gobain, and of Mrs Helle KRISTOFFERSEN, director at Orange and Vice-President, Strategy and Chief Administrative Officer of the “low carbon” division at Total.

With regards to Mrs Pamela KNAPP situation, the Supervisory Board noted that the overall duration of her term of office at PSA Group is lower than 12 years.

Regarding the relationships between Groupe PSA and the Compagnie de Saint Gobain, the Supervisory Board noticed that the volume of business relationships between the two groups does not exceed 5% of Groupe PSA sales revenue. Therefore, in light of the non material nature of the relationships, any dependent relationship between the two groups could be excluded.

In addition, the function Mrs Pamela KNAPP performs within those companies does not give her direct or indirect decision-making powers in the context of the establishment or maintenance of any business relationship.

As far as Mrs Helle KRISTOFFERSEN is concerned, the Supervisory Board stated that the overall duration of her term of office at Groupe PSA is lower than 12 years.

Regarding the relationships between Groupe PSA and Total, and Orange and Groupe PSA, the Supervisory Board noted that the volume of business relationships between Groupe PSA and each of the two groups does not exceed 5% of Groupe PSA sales revenue. Therefore, in light of the non-material nature of the relationships, any dependent relationship between the two groups could be excluded.

In addition, the function Mrs Helle KRISTOFFERSEN performs within those companies does not give her direct or indirect decision-making powers in the context of the establishment or maintenance of any business relationship.

It conclusion, the examination has revealed that the business relationships fostered between Groupe PSA and the aforesaid companies are not likely to compromise the independance of Mrs Pamela KNAPP and Mrs Helle KRISTOFFERSEN.

3.1.2.6. THE SENIOR INDEPENDENT MEMBER OF THE SUPERVISORY BOARD OF PEUGEOT S.A.

The Senior Independent Member is appointed from among the independent members in accordance with paragraph 6.3 of the AFEP-MEDEF Code and, under the Internal Rules of the Supervisory Board, has the following powers and prerogatives:

- calling and chairing meetings of the independent members of the Supervisory Board on the Board’s operating procedures, and conveying its findings to the Chairman of the Supervisory Board;

- notifying to the Chairman of the Supervisory Board any conflict of interest it has identified which could affect the deliberations of the Board;
- taking note of the significant governance concerns of shareholders not represented on the Supervisory Board and ensuring that they are addressed;
- reporting on the performance of his or her duties to the Supervisory Board and, where applicable, to the Shareholders’ Annual General Meeting.

Mr Geoffroy ROUX de BEZIEUX performs the duties of Senior Independent Member of the Supervisory Board. Since 25 July 2017, he has also become Vice-Chairman of the Board. This is because, for compliance with best practices, the Supervisory Board has decided to combine the office of Senior Independent Member with that of Vice-Chairman.

Mr Geoffroy ROUX de BEZIEUX also sits as Chairman of the Appointments, Compensation and Governance Committee.

3.1.2.7. THE EMPLOYEE REPRESENTATIVE MEMBER AND THE EMPLOYEE SHAREHOLDER REPRESENTATIVE MEMBER

The employee representative is appointed, under the procedure described by Article 10.1 B of the by-laws, by the Group European Works Council, pursuant to Article L. 225-79-2 of the French Commercial Code.

The representative of employee shareholders is appointed by the Shareholders’ General Meeting on the proposal of the Supervisory Boards of the corporate mutual funds, in accordance with the Article L. 225-71 of the French Commercial Code and Article 10.1 C of the Company by-laws. It will be recalled that the Shareholders’ General Meeting on 10 May 2017 amended the by-laws to maintain representation of employee shareholders on the Supervisory Board for a period of four years even though the percentage of employee ownership had fallen below 3%.

The Board enables the employee representative and the representative of employee shareholders to train appropriately for the duties required of them by virtue of their office. As an example, we should recall that Mr Jean-François KONDRATIUK and Mrs Bénédicte JUVAUX attended training at the *Institut Français des Administrateurs*.

3.1.2.8. THE NON-VOTING MEMBERS

Under the terms of the Shareholders’ Agreement, each of the three reference shareholders may apply to have a non-voting member attend the meetings of the Supervisory Board. In accordance with the Internal Rules of the Supervisory Board, the non-voting members are appointed by the Supervisory Board for a term of four years.

Non-voting members of the Supervisory Board	Date of first appointment	Term of office expiry date	Age	Independent according to the AFEP-MEDEF Code	Attendance at Board meetings
Frédéric BANZET (appointed on the proposal of the Peugeot family-owned Group)	29 July 2014	2018	58		100%
Alexandre OSSOLA (appointed on the proposal of BPIFrance)	25 July 2017	2021	43		75%*
LV Haitao (appointed on the proposal of DMHK)	25 July 2017	2021	47		100%*

* Attendance rate at meetings of the Supervisory Board in the second half-year, after the term of office became effective, as from the Supervisory Board meeting on 25 July 2017.

In accordance with the law, meetings of the Supervisory Board are attended by one non-voting member of the Peugeot S.A. Works Council.

3.1.2.9. INFORMATION ABOUT THE CURRENT MEMBERS OF THE SUPERVISORY BOARD

Board Members

LOUIS GALLOIS



French national
Born 26 January 1944

Business address:
Groupe PSA,
7, rue Henri Sainte
Claire Deville,
92500 Rueil-Malmaison,
France

**First elected
to the Supervisory Board:**
12 February 2013

Current term expires:
2018 (4-year term)

Chairman of the Supervisory Board of Peugeot S.A.

Independent Member
Member of the Appointments, Compensation and Governance Committee
Member of the Strategy Committee

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Chairman of <i>Fédération des Acteurs de la Solidarité</i>		
Co-Chairman of <i>La Fabrique de l'Industrie</i>		
Director of Association Nationale de la Recherche Technique		
President of the experimental fund for areas with zero long-term unemployed		

Other directorships and positions in the past five years:

- › General Commissioner for Investment
- › Director of MICHELIN S.C.A.
- › Director of *École Centrale de Paris*
- › Director of *Cercle de l'Industrie*

Relevant expertise and professional experience:

A graduate of the HEC business school and *École Nationale d'Administration*, Louis GALLOIS began his career in the French Treasury Department. He subsequently became Chief of Staff for Jean-Pierre CHEVÈNEMENT at the Ministry of Research and Technology before serving as Head of the Industry Department at the Ministry of Industry and Policy Officer at the Ministry of the Economy, Finance and Privatisation before ultimately serving on Mr CHEVÈNEMENT's staff at the Ministry of Defence. After that, he held the position of Chairman and Chief Executive Officer, first at Snecma (1989-1992) and then at Aerospatiale (1992-1996). After serving as President of SNCF-French Railways from 1996 to 2006, he was one of the co-Chief Executive Officers of the EADS Group until 2007, then Chief Executive Officer until June 2012. He also served as Chief Executive Officer of Airbus from September 2006 to August 2007. From June 2012 to April 2014, he served in the French government as General Commissioner for Investment. He has been Chairman of the Groupe PSA Supervisory Board since 29 April 2014.

Number of Peugeot S.A. securities owned as of 31 December 2017: 1,065 shares.

GEOFFROY ROUX DE BÉZIEUX



French national
Born 31 May 1962

Business address:
Notus Technologies,
2 bis, rue de Villiers,
92300 Levallois-Perret,
France

**First elected
to the Supervisory Board:**
23 May 2007

Current term expires:
2021 (4-year term)

Vice-Chairman of the Supervisory Board of Peugeot S.A.

Independent member and Senior Independent Member
Chairman of the Appointments, Compensation and Governance Committee
Member of the Finance and Audit Committee

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Chairman of NOTUS TECHNOLOGIES		
Director of PARROT S.A.	√	
Vice-Chairman, Treasurer and member of the Bureau of MEDEF		

Other directorships and positions in the past five years:

- › Chairman of OMEA TELECOM (VIRGIN MOBILE)
- › Vice-Chairman of the Supervisory Board of SELOGER.COM
- › Chairman of Oliviers & Compagnie
- › Chairman of the Supervisory Board of CREDIT.FR

Relevant expertise and professional experience:

After graduating from the ESSEC business school, Geoffroy ROUX de BÉZIEUX held various positions at L'Oréal from 1986 to 1996. He was Founder-Chairman of The Phone House, France's leading independent mobile phone retailer. He later sold the company to The Carphone Warehouse, which appointed him as Managing Director Europe in 2000 and Chief Operating Officer in 2003, a position he held until 2006. From 2006 to 2014 he was Founder-Chairman of Omea Telecom (Virgin Mobile). He manages the affairs of the NOTUS technologies investment company.

Number of Peugeot S.A. securities owned as of 31 December 2017: 2,417 shares.

**MARIE-HÉLÈNE PEUGEOT RONCORONI**

French national
 Born 17 November 1960
 Business address:
 FFP,
 66, avenue, Charles
 de Gaulle,
 92200 Neuilly-sur-Seine,
 France

**First elected
 to the Supervisory Board:**
 2 June 1999

Current term expires:
 2018 (4-year term)

Permanent Representative of Établissement Peugeot Frères on the Board of Directors of Peugeot S.A.

Member of the Appointments, Compensation and Governance Committee
 Member of the Asia Business Development Committee
 Vice-Chairman of the Supervisory Board of Peugeot S.A.

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Director and Chief Operating Officer of ÉTABLISSEMENT PEUGEOT FRÈRES S.A.		
Director and Vice-Chairman of FFP S.A.	√	
Director and Chief Operating Officer of SAPAR S.A.		
Director of ASSURANCES MUTUELLES DE FRANCE		
Director of ESSO SAF	√	
Director of LISI	√	
Director and Vice-Chairman of the PSA Corporate Foundation		
Director of INSTITUT DIDEROT		
Director of SICAV ARMENE		

Other directorships and positions in the past five years:

- › Member of the Supervisory Board and Finance Committee of Peugeot S.A.
- › Permanent Representative of SAPAR on the Board of Directors of IMMEUBLES DE FRANCHE-COMTÉ
- › Permanent Representative of SOCIÉTÉ ASSURANCES MUTUELLES DE FRANCE on the Board of Directors of AZUR - GMF MUTUELLES D'ASSURANCES ASSOCIÉES
- › Member of the Supervisory Board of ONET S.A.

Relevant expertise and professional experience:

Marie-Hélène PEUGEOT RONCORONI graduated from *Sciences Po Paris*. She began her career in an international audit firm before holding positions in Corporate Finance, Industrial Relations and human resources within the Group. She currently serves as Director and Chief Operating Officer of *Établissements Peugeot Frères*, Director and Vice-President of FFP, and Director of SAPAR, *Assurances Mutuelles de France*, ESSO SAF, LISI and *Institut Diderot*. She is also Director and Vice-Chairman on the Board of Directors of the PSA Corporate Foundation.

Number of Peugeot S.A. securities owned by Marie-Hélène PEUGEOT RONCORONI as of 31 December 2017: 1,150 shares.

Number of Peugeot S.A. securities owned by EPF as of 31 December 2017: 26,298,895 shares.

Number of units owned by Marie-Hélène PEUGEOT RONCORONI in the Groupe PSA Employee Stock Ownership Fund as of 31 December 2017: 637 units.

LIU WEIDONG



Chinese national
Born 13 October 1966
Business address:
Special No. 1 Dongfeng
Road, Wuhan Economic and
Technology Development,
Zone,
Wuhan, Hubei Province,
China

**First elected
to the Supervisory Board:**
29 April 2014

Current term expires:
2018 (4-year term)

Permanent Representative of Dongfeng Motor (Hong Kong) International Co. Ltd. (DMHK) on the Supervisory Board of Peugeot S.A.

**Member of the Strategy Committee
Member of the Appointments, Compensation and Governance Committee
Vice-Chairman of the Supervisory Board**

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Deputy Managing Director, Member of the Party Permanent Committee and Chief Engineer of DONGFENG MOTOR CORPORATION		
Executive Director of DONGFENG MOTOR GROUP CO. LTD.	√	
Chairman of DONGFENG GETRAG TRANSMISSION CO. LTD.		
Chairman of CHINA DONGFENG MOTOR INDUSTRY IMP. & EXP. CO. LTD.		
Chairman of DONGFENG XIAOKANG AUTO CO. LTD.		
Chairman of DONGFENG OFF-ROAD VEHICLE CO. LTD.		

Other directorships and positions in the past five years:

- › Non-Executive Director of DONGFENG MOTOR GROUP CO. LTD.
- › Vice-Chairman of DPCA
- › Director of CHINA AUTO LIGHTWEIGHT TECHNOLOGY INSTITUTE CO. LTD.
- › Chairman of DONGFENG ELECTRIC VEHICLE CO. LTD.
- › Chairman of DONGFENG HONGTAI HOLDINGS GROUP CO. LTD.
- › Vice-Chairman of DONGFENG YUEDA QIYA AUTO CO. LTD.
- › Director of GUO ILIAN CENTRE TEST AUTOMOTIVE POWER BATTERY CO. LTD.
- › Chief Executive Officer of DONGFENG MOTOR GROUP CO. LTD. PASSENGER VEHICLE
- › Chairman of DONGFENG PEUGEOT CITROËN AUTOMOBILES COMPANY LTD. (DPCA)
- › Chairman of DONGFENG PEUGEOT CITROËN AUTOMOBILES SALES COMPANY LTD. (DPCS)
- › Director of DONGFENG MOTOR (HONG KONG) INTERNATIONAL CO. LTD (DMHK)
- › Chairman of XIANGYANG DAAN AUTOMOTIVE TEST CENTER
- › Executive Director and Chief Executive Officer of DONGFENG MOTOR INVESTMENT (SHANGHAI) CO. LTD.

Relevant expertise and professional experience:

LIU Weidong graduated from Wuhan University of Technology with a major in automotive technology. He joined the leaf spring plant of Second Automotive Works (the predecessor of Dongfeng Motor Corporation) as an engineer in 1988. He went on to hold executive positions in various Dongfeng Group companies. LIU Weidong has been Chief Executive Officer of Dongfeng Peugeot Citroën Automobile Company Limited and Chief Operating Officer of Dongfeng Motor Corporation since 2001. In July 2011, he was named Chief Executive Officer of Dongfeng Passenger Vehicle Company. Mr LIU Weidong is also currently Chairman of China Dongfeng Motor Industry Imp. & Exp. Co. Ltd., Dongfeng Xiaokang Automobile Co. Ltd., Dongfeng Off-road Vehicle Co. Ltd., Dongfeng GETRAG Transmission Co. Ltd and he have been chief engineer since November 2017.

LIU Weidong was a member of the Supervisory Board in a personal capacity until his appointment as permanent representative of Dongfeng Motor (Hong Kong) International Co. Ltd. (DMHK). When appointed to the latter post, he resigned from his existing position as member of the Board.

Number of Peugeot S.A. securities owned as of 31 December 2017: 1,000 shares.

Number of Peugeot S.A. securities owned by DMHK as of 31 December 2017 : 110,622,220 units.



ANNE GUERIN


French national
 Born 16 August 1968
 Business address:
 Bpifrance Participations,
 6/8 boulevard Haussmann,
 75009 Paris,
 France

**First elected to the
 Supervisory Board:**
 25 July 2017

Current term expires:
 2018 (4-year term)

Permanent Representative of Bpifrance Participations on the Supervisory Board of Peugeot S.A

Member of the Finance and Audit Committee
Member of the Appointments, Compensation and Governance Committee
Vice-Chairman of the Supervisory Board

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Director of Bpifrance Régions		
Director and Permanent Representative of Bpifrance Participations for CGG		
Director of the VoisinMalin non-profit-making association		
Executive Vice-President in charge of Financing and Network of Bpifrance		

Other directorships and positions in the past five years:

- › Risks Director (Bpifrance)
- › International Financing Director (Bpifrance)
- › Regional Director, Ile de France West (Bpifrance)

Relevant expertise and professional experience:

Anne GUÉRIN is a graduate of ESCP Europe. She began her career as an account manager at the French SME development bank, moving on to become Equity Investments Manager at Avenir Entreprises. She joined Bpifrance in 2008, as Regional Manager for the Western Ile de France, then became Manager for International Financing (2014-2016) and lastly, Risk Manager (2016-2017). She is currently Executive Vice-President in charge of Network and Financing. Anne GUÉRIN is also a member of the Bpifrance Régions Board of Directors, a member of the CGG Board of Directors and a Director of the VoisinMalin non-profit-making association.

Number of Peugeot S.A. securities owned by Mrs Anne GUÉRIN as of 31 December 2017: None

Number of Peugeot S.A. securities owned by Bpifrance Participations as of 31 December 2017: 1,000 shares

DANIEL BERNARD


French national
 Born 18 February 1946
 Business address: Provestis,
 14 Rue de Marignan, 75008
 Paris, France

**First elected
 to the Supervisory Board:**
 25 July 2017

Current term expires:
 2021 (4-year term)

Permanent Representative of Lion Participations on the Supervisory Board of Peugeot S.A.

Member of the Strategy Committee
Member of the Asia Business Development Committee

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Vice-Chairman of the Board of Directors of Cap Gemini S.E.		
Chairman of the Provestis holding company (since 2006)	√	
Senior Advisor to Towerbrook Capital Partners LP (United Kingdom)		
Director of the EESC HEC		
Honorary President of the HEC Foundation		

Other directorships and positions in the past five years:

- › Director of Alcatel-Lucent S.A.S.
- › President of the HEC Foundation
- › Chairman of MAF Retail Group (Dubai)
- › Chairman of Kingfisher Plc (UK)

Relevant expertise and professional experience:

A graduate of HEC, Daniel BERNARD was successively the Managing Director of Groupe Metro France (1981-1989), Chief Operating Officer de Metro International AG (1989-1992), then Chairman and Chief Executive Officer of Carrefour (1992-2005), Chairman of the Board of Directors of MAF Retail Group (Dubai) (2010-2014), and Chairman of the Board of Directors of Kingfisher Plc (U.K.) (2006-2017). He is currently Chairman of the Provestis holding company. He is also Vice-Chairman of the Board of Directors of Cap Gemini S.A., Senior Advisor to Towerbrook Capital Partners LP (United Kingdom), Member of the HEC Board of Management and Honorary President of the HEC Foundation. Daniel BERNARD holds the French honours of *Chevalier de la Légion d'Honneur* and *Officier de l'Ordre National du Mérite*.

Number of Peugeot S.A. securities owned by Daniel BERNARD as of 31 December 2017: None.

Number of Peugeot S.A. securities owned by Lion Participations as of 31 December 2017: 110,621,220 shares

CATHERINE BRADLEY



French and British national
Born 20 April 1959

Business address:
11 Woodstock Road,
London W4 1DS,
United Kingdom

**First elected
to the Supervisory Board:**
23 February 2016

Current term expires:
2020 (4-year term)

Member of the Supervisory Board of Peugeot S.A.

Independent Member
Chairman of the Finance and Audit Committee
Member of the Appointments, Compensation and Governance Committee

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Independent Director at the Financial Conduct Authority (FCA)		
Independent Director at the FICC Markets Standards Board (FMSB)		
Member of the Investment Committee of The Athenaeum Club		

Other directorships and positions in the past five years:

> Independent Director at WS Atkins PLC

Relevant expertise and professional experience:

Catherine BRADLEY graduated from HEC Paris with a major in Finance and International Affairs. Between 1981 and 1991, she held a variety of positions in the investment banking and mergers & acquisitions departments at Merrill Lynch. She was appointed Executive Director, in charge of investment banking at SBC (UBS) in 1991, and became Head of European Strategy for the Equity Advisory team at BNP Paribas in 1994. In 2000, she was named Managing Director of Dresdner Kleinwort Benson. She joined *Crédit Suisse* as Managing Director in 2003, first in London as Head of Coverage, and then in Hong Kong, where she served as Head of the Equity-linked group for Asia-Pacific from 2008 to 2012. In 2013, she was appointed Head of Equity Advisory, Global Markets for the Asia-Pacific region at *Société Générale*. She is currently an Independent Director. Among other office held, she has been appointed by the UK Treasury to sit on the Board of the Financial Conduct Authority, the regulatory authority for financial activities in the United Kingdom.

Number of Peugeot S.A. securities owned as of 31 December 2017: 1,000 shares.

PAMELA KNAPP



German national
Born 8 March 1958

Business address:
GROUPE PSA
7, rue Henri Sainte Claire
Deville,
92500 Rueil-Malmaison,
France

**First elected
to the Supervisory Board:**
31 May 2011

Current term expires:
2021 (4-year term)

Member of the Supervisory Board of Peugeot S.A.

Independent Member
Member of the Appointments, Compensation and Governance Committee
Member of the Finance and Audit Committee

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Director of COMPAGNIE DE SAINT-GOBAIN S.A.	√	
Director of HKP AG		
Director of PANALPINA AG	√	
Director of BEKAERT NV	√	
Director of the Franco-German Chamber of Commerce and Industry		

Other directorships and positions in the past five years:

> Member of the Managing Board of GfK SE
> Director of MONIER HOLDINGS S.C.A.

Relevant expertise and professional experience:

Pamela KNAPP is a graduate of Harvard Business School's Advanced Management Program and holds a Masters in Economics from the University of Berlin. She began her career at Deutsche Bank AG, then worked as an M&A consultant before taking on various management roles at Siemens AG, including Chief Financial Officer of the Power Transmission & Distribution Division from 2004 to 2009. From 2009 until October 2014, she was Chief Financial Officer, responsible for Finance, Financial Controlling and Accounting, Personnel and Administration at GfK SE from 2009 until 2014..

Number of Peugeot S.A. securities owned as of 31 December 2017: 1,938 shares.



JEAN-FRANÇOIS KONDRATIUK



French national
Born 24 March 1950
Business address:
PSA Automobiles S.A.,
45, rue J.-P. Timbaud,
78300 Poissy,
France

First elected to the Supervisory Board:
24 April 2013⁽¹⁾

Current term expires:
2018 (4-year term)

Member Employee representative of the Supervisory Board of Peugeot S.A.*

Member of the Strategy Committee
Member of the Asia Business Development Committee

Positions held within the Group as of 31 December 2017:

Methods Engineer at the Poissy assembly unit
Director of the PSA Corporate Foundation

Other directorships and positions as of 31 December 2017: None.

Other directorships and positions in the past five years:

- › Employee Representative
- › Trade Union Representative (FO) at the PCA Poissy plant
- › Employee Representative on the Health, Safety and Working Conditions Committee
- › Secretary of the Group European Works Council

Relevant expertise and professional experience:

Since joining the Group in 1970, Jean-François KONDRATIUK, who holds a French high school diploma (*baccalauréat*) in science, has been a Methods Engineer in charge of special projects in the Methods Department at the Poissy production plant. He has served as Employee Representative, Trade Union Representative (*Force Ouvrière*) at the PCA Poissy plant, Employee Representative on the Health, Safety and Working Conditions Committee and Secretary of the European Works Council. He resigned from these positions when he was appointed as Employee Representative on the Supervisory Board by the European Works Council in June 2014.

Number of Peugeot S.A. securities owned as of 31 December 2017: 10 shares.

Number of units in the Groupe PSA Employee Stock Ownership Fund as of 31 December 2017: 80 units.

* Appointed under Article L. 225-79-2 of the French Commercial Code.

(1) Date of appointment by the General Meeting of April 24, 2013 (14th resolution) before the implementation of the procedure of appointment of the member representing the employees, in view of the Law n° 2013-504 of June 14, 2013 (*loi relative à la sécurisation de l'emploi*). S.A. Mr. KONDRATIUK resigned in 2014 and was subsequently appointed as a member representing the employees, by decision of the European Committee of the Group (CEG), on June 18, 2014 for a period of 4 years, in accordance with the procedure of appointment of the members representing employees, as approved by the Supervisory Board.

HELLE KRISTOFFERSEN



French and Danish national

Born 13 April 1964

Business address:
Total S.A.,
2, place Jean Millier,
La Défense,
92078 Paris La Défense
Cedex,
France

**First elected
to the Supervisory Board:**
27 April 2016

Current term expires:
2021 (4 years term)

Member of the Supervisory Board of Peugeot S.A.

Independent Member
Member of the Strategy Committee
Member of the Asia Business Development Committee

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Vice-President, Strategy and Chief Administrative Officer of the low carbon division at TOTAL S.A.	√	
Director on the Board of Directors of ORANGE S.A.	√	
Director of Sunpower S.à.r.l.	√	
Director of the Paris Science and Arts Community of Universities and Institutions (COMUE PSL)		

Other directorships and positions in the past five years:

› Director of VALEO S.A.

Relevant expertise and professional experience:

Helle KRISTOFFERSEN is a graduate of *École Normale Supérieure* and *École Nationale de la Statistique et de l'Administration Économique* (ENSAE). On 1 September 2016, she was named Vice-President, Strategy and Chief Administrative Officer of a new business division which covers Total's "low carbon" operations (natural gas, solar energy, energy trading and marketing, and energy efficiency services). As the division's Chief Administrative Officer, she leads the following departments: finance, legal, HR, Information Systems, corporate communication, security and strategic markets. She previously served as Senior Vice-President, Strategy & Business Intelligence, at Total. She spent most of her career at Alcatel, now Alcatel-Lucent, which she joined in 1994. After holding a number of positions in the group, she served as Vice-President, Corporate Strategy, from 2005 to 2008 and then Senior Vice-President, Vertical Markets, from January 2009 to December 2010. She holds France's highest honour, as a *Chevalier de la Légion d'Honneur*.

Number of Peugeot S.A. securities owned as of 31 December 2017: 1,000 shares.

AN TIECHENG



Chinese national

Born 30 June 1963

Business address:
Special No. 1 Dongeng Road,
Wuhan Economic and
Technology Development
Zone, Wuhan,
Hubei Province,
China

**First elected
to the Supervisory Board:**
25 July 2017

Current term expires:
2018 (4-year term)

Member of the Supervisory Board of Peugeot S.A.

Chairman of the Asia Business Development Committee
Member of the Finance and Audit Committee

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Deputy Managing Director and Member of the Party Permanent Committee of DONGFENG MOTOR CORPORATION		
Chairman of DONGFENG PEUGEOT-CITROËN AUTOMOBILES COMPANY LTD. (DPCA)		√
Chairman of DONGFENG PEUGEOT-CITROËN AUTOMOBILES SALES COMPANY LTD. (DPCS)		√
Executive Director of DONGFENG MOTOR GROUP CO. LTD.	√	
Director of DONGFENG MOTOR (HONG KONG) INTERNATIONAL CO. LTD (DMHK)		
Director of DONGFENG MOTOR CO. LTD.		
Managing Director of DONGFENG MOTOR INVESTMENT (SHANGHAI) CO. LTD.		
Chairman of DONGFENG HONGTAI HOLDINGS GROUP CO. LTD.		

Other directorships and positions in the past five years:

› Managing Director of FAW-VW
› Managing Director of FAW CAR Co.
› Party Secretary, HONGQI DIVISION OF FAW CORPORATION

Relevant expertise and professional experience:

Mr AN Tiecheng is a graduate in Management Science and Engineering of the University of Jilin (China). He spent most of his career at FAW, where he began in 1984, exercising various in-plant positions of responsibility up to Deputy Manager. In 1999, he became Deputy Head of the FAW-VW Planning Department, then Head of the FAW Group Planning Department, before becoming Managing Director of FAW-VW, then of FAW CAR Co. Since April 2017, he has been Vice-President and Member of the Party Permanent Committee of the DFM Group. Since June 2017, he has been Chairman of the Board of DPCA.

Number of Peugeot S.A. securities owned as of 31 December 2017: None.

**ROBERT PEUGEOT**

French national
 Born 25 April 1950
 Business address:
 FFP,
 66, avenue Charles de Gaulle,
 92200 Neuilly-sur-Seine,
 France

First elected to the Supervisory Board:
 6 February 2007

First appointment to represent FFP on the Supervisory Board:
 29 April 2014

Current term expires:
 2018 (4-year term)

Permanent Representative of FFP on the Supervisory Board of Peugeot S.A.

Chairman of the Strategy Committee
Member of the Finance and Audit Committee

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Chairman and Chief Executive Officer of FFP S.A.	√	
Director of Faurecia S.A.	√	√
Member of the Supervisory Board of HERMÈS INTERNATIONAL SCA	√	
Director of ÉTABLISSEMENTS PEUGEOT FRÈRES S.A.*		
Director of SOFINA S.A.S.	√	
Director of DKSH AG	√	
Director of TIKEHAU CAPITAL ADVISORS SAS		
Managing Director of S.A.R.L. CHP GESTION		
Managing Director of SC RODOM		
Permanent Representative of FFP, Chairman of FFP INVEST*		
Permanent Representative of FFP INVEST, Chairman of the Supervisory Board of FINANCIÈRE GUIRAUD S.A.S.*		
Permanent Representative of MAILLOT I on the Board of Directors of SICAV ARMENE*		

* Corporate office held at FFP.

Other directorships and positions in the past five years:

- › Permanent Representative of FFP INVEST on the Board of Directors of SANEF S.A.
- › Director of IMÉRY S.A.
- › Director of HOLDING REINIER S.A.S.
- › Permanent Representative of FFP INVEST on the Supervisory Board of IDI EMERGING MARKETS S.A.
- › Permanent Representative of FFP INVEST on the Supervisory Board of ZODIAC AEROSPACE
- › Member of the Supervisory Board of Peugeot S.A.
- › Director of SANEF
- › Member of the supervisory board of IDI EMERGING MARKETS S.A.

Relevant expertise and professional experience:

After graduating from *École Centrale de Paris* and INSEAD, Robert PEUGEOT held various executive positions within the Groupe PSA. From 1998 to 2007, he was Vice-President, Innovation & Quality, and a member of the Group's Executive Committee. Since 2003, he has been Chairman and Chief Executive Officer of FFP.

Number of Peugeot S.A. securities owned by Robert PEUGEOT as of 31 December 2017: 1,000 shares.

Number of Peugeot S.A. securities owned by FFP as of 31 December 2017: 84,323,161 shares.

HENRI PHILIPPE REICHSTUL



Brazilian national
Born 12 April 1949
Business address:
Rua dos Pinheiros,
870, 20° Andar – cjs. 201 –
CEP 05422-001
São Paulo SP,
Brazil

**First elected
to the Supervisory Board:**
23 May 2007

Current term expires:
2021 (4-year term)

Member of the Supervisory Board of Peugeot S.A.

Independent Member
Member of the Strategy Committee
Member of the Asia Business Development Committee

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Director of LATAM AIRLINES GROUP	√	
Chairman of the Supervisory Board of FIVES GROUP		
Director of TAM – Linhas Aéreas		

Other directorships and positions in the past five years:

- › Director of FOSTER WHEELER and GAFISA
- › Director of SEMCO PARTNERS
- › Director of REPSOL YPF S.A.
- › Director of BRF – Brazilian Food

Relevant expertise and professional experience:

After earning an economics degree from the University of São Paulo and doing post-graduate work at Oxford University, Henri Philippe REICHSTUL began his career as a university professor of economics. He then went on to hold various senior civil-service positions in Brazil before serving as Chairman and Director of a variety of companies, including Petrobras, of which he was Chairman (1999-2001).

Number of Peugeot S.A. securities owned as of 31 December 2017: 325 shares.

BÉNÉDICTE JUYAUX



French national
Born 19 January 1961
Business address:
Groupe PSA,
Centre Technique de Vélizy,
Route de Gisy,
Parc Inovel Sud,
78943 Vélizy-Villacoublay
Cedex,
France

**First elected
to the Supervisory Board:**
10 May 2017

Current term expires:
2021 (4-year term)

Representative of employee shareholders on the Supervisory Board of Peugeot S.A.

Member of the Finance and Audit Committee
Member of the Appointments, Compensation and Governance Committee

Other directorships and positions as of 31 December 2017:	Listed company	Group Company
Chairman of the Supervisory Board of the “Secure” corporate mutual fund		√
Chairman of the Supervisory Board of the Groupe PSA Employee Stock Ownership Fund		√
Chairman of the Equality and Diversity commissions at the Vélizy Technical Center		√
Vice-President, Cross-functional Quality Management System in the Groupe PSA Quality and Engineering Department		√
Director of <i>Association Avenir Dysphasie France</i> (AAD – a non-profit-making association for dysphasia sufferers)		

Other directorships and positions in the past five years:

- › Audit Quality Manager in the Quality Department

Relevant expertise and professional experience:

Bénédicte JUYAUX is an engineer with a degree in Mechanical Engineering from the Compiègne University of Technology. She began her career at Saint Gobain Vitrage as an engineer, moving on there to become Quality Manager at three different production sites (float glass and vehicle windows), where she developed the first quality-assurance methods. After three years’ expatriation in the United States (at Charlottesville, Virginia), she joined Groupe PSA in January 2000 to continue her career in research and development quality. Among others, she performed managerial duties in cross-functional entities: methods, audit, PES (PSA Excellence System), and project-management duties as quality manager for the Citroën C3 II and DS 3 (A515) projects. She is currently VP in charge of the Groupe PSA Quality Management System.

Alongside this, she has been involved in trade-union activity since the 1990s as employee representative at Saint Gobain, then in Groupe PSA initiatives to promote equality between women and men since early 2004, as member of the Vélizy commission for 8 years, then as its Chairman since 2017. She has also contributed to the activities of the PSA Foundation through mentorship, and sponsorship of the handicapped (winning a major sponsorship award in 2013). She is a director of and actively involved in the *Association Avenir Dysphasie* (AAD) non-profit-making association, being in charge of young people’s activities.

Number of Peugeot S.A. securities owned as of 31 December 2017: None

Number of units in the Groupe PSA Employee corporate mutual fund “salariés du Groupe PSA” and “Secure” as of 31 December 2017: 881 units

The non voting Members of the Supervisory Board

FREDERIC BANZET																										
 <p>French national Born 16 September 1958 Business address: FFP Investment UK Ltd, 2 Duke Street, London W1U 3EH, United Kingdom</p> <p>Date of first appointment as non-voting member of the Supervisory Board: 29 July 2014</p> <p>Current term expires: 2018 (4-year term)</p>	<p>Non-voting member of the Supervisory Board of Peugeot S.A. (Appointed on the recommendation of FFP/EPF)</p>																									
	<p>Other directorships and positions as of 31 December 2017:</p>	<table border="1"> <thead> <tr> <th></th> <th>Listed company</th> <th>Group Company</th> </tr> </thead> <tbody> <tr> <td>Director of <i>Établissements Peugeot Frères S.A.</i></td> <td></td> <td></td> </tr> <tr> <td>Permanent Representative of FFP Investment on the supervisory board of ZODIAC AEROSPACE S.A.</td> <td>√</td> <td></td> </tr> <tr> <td>Director and Chairman of FFP INVESTMENT UK LTD.</td> <td></td> <td></td> </tr> <tr> <td>Director of FFP Investments US 1, Inc</td> <td></td> <td></td> </tr> <tr> <td>Director of FFP US CC, Inc</td> <td></td> <td></td> </tr> <tr> <td>Director of FFP US SRL, Inc</td> <td></td> <td></td> </tr> <tr> <td>Director of FFP Investments US 2, Inc</td> <td></td> <td></td> </tr> </tbody> </table>		Listed company	Group Company	Director of <i>Établissements Peugeot Frères S.A.</i>			Permanent Representative of FFP Investment on the supervisory board of ZODIAC AEROSPACE S.A.	√		Director and Chairman of FFP INVESTMENT UK LTD.			Director of FFP Investments US 1, Inc			Director of FFP US CC, Inc			Director of FFP US SRL, Inc			Director of FFP Investments US 2, Inc		
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<ul style="list-style-type: none"> › Director of FFP S.A. › Director of AUTOMÓVEIS CITROËN S.A. › Director of CITROËN BELUX S.A. › Director of Changan PSA Automobiles Co. Ltd. › Director of AUTOMÓVILES CITROËN ESPAÑA S.A. › Director of CITROËN UK LTD. › Director of BERI ITALIA S.R.L. › Director of CITROËN SVERIGE AB › Director of CAPSA › Permanent Representative of AUTOMOBILES CITROËN S.A., Chairman of AUTOMÓVEIS CITROËN S.A. › Chairman and Chief Executive Officer of AUTOMOBILES CITROËN S.A. › Member of the supervisory board of PEUGEOT CITROËN UKRAINE S.R.L. › Member of the supervisory board of CITROËN POLSKA SP ZOO › Member of the supervisory board of CITROËN NEDERLAND B.V. › Permanent Representative of AUTOMOBILES CITROËN on the Board of Directors of BANQUE PSA FRANCE › Permanent Representative of FFP Invest at IDI Emerging Markets S.A. 																										
<p>Relevant expertise and professional experience:</p>																										
<p>Frédéric BANZET holds a law degree and is a graduate of ISTECH and Harvard Business School. He held various positions in Groupe PSA, featuring eight years at the Finance Department in France and abroad (as Deputy Managing Director of PSA Finance in London for four years). He also held the position of Head of Peugeot's Asia-Pacific Operations, before moving to Citroën as Head of International Affairs then Head of Sales and Marketing Europe. He was Chief Executive Officer of the Citroën brand from 2009 until June 2014. In September 2014, he joined FFP's executive management team.</p>																										
<p>Number of Peugeot S.A. securities owned as of 31 December 2017: None.</p>																										

ALEXANDRE OSSOLA																				
 <p>French national Born 26 September 1974 Business address: Bpifrance Participations, 6/8 boulevard Haussman, 75009 Paris, France</p> <p>First elected to the Supervisory Board: 25 July 2017</p> <p>Current term expires: 2021 (4-year term)</p>	<p>Non-voting member of the Supervisory Board of Peugeot S.A. (Appointed on the recommendation of Bpifrance)</p>																			
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	Member of the supervisory board of Financière Mecaplast SAS																			
	Chairman of the Board of Directors of Trèves SAS																			
	<p>Other directorships and positions in the past five years:</p>																			
	<ul style="list-style-type: none"> › Manager of the nuclear and railway funds at Bpifrance Investissement S.A.S. › Director of Climpact › Director of Mecaplast SAM (a Monaco-based company) › Director of HPC 																			
<p>Relevant expertise and professional experience:</p>																				
<p>Mr Alexandre OSSOLA is a graduate of the ESCP Europe University. He began his career at Wasserstein Perella (1998-1999), before joining Crédit Suisse First Boston (1999-2000). He went on to be Manager at the Paris Office of CVC Capital Partners (2000-2011), then was in charge of venture capital operations at CDC Climat (2011-2013). He joined Bpifrance Investissement in 2013 as Manager of the nuclear and railway funds. In 2015, he joined the Bpifrance Mid & Large Cap Management Committee, heading both "Fonds d'Avenir Automobile" funds (FAA - tier 1 and tier 2). In 2017, he also headed Bpifrance's Mid Cap activities.</p>																				
<p>Number of Peugeot S.A. securities owned as of 31 December 2017: None</p>																				

LV HAITAO



Chinese national
Born 3 September 1970

Business address:
Special No. 1 Dongfeng Road,
Wuhan Economic and
Technology Development
Zone, Wuhan, Hubei Province,
China

**First elected to the
Supervisory Board:**
25 July 2017

Current term expires:
2021: (4-year term)

Non-voting member of the Supervisory Board of Peugeot S.A.
(Appointed on the recommendation of DMHK)

Other directorships and positions as of 31 December 2017:

Vice-President of Strategy and Programme at DONGFENG MOTOR CORPORATION

Listed company	Group Company
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Other directorships and positions in the past five years:

- › Chief Operating Officer, Sales & Marketing, of Dongfeng Peugeot-Citroën Automobiles Company Ltd. (DPCA)
- › Member of the DPCA Executive Committee
- › Chief Operating Officer, Sales & Marketing, of Dongfeng Peugeot-Citroën Automobiles Sales Company Ltd. (DPCS)
- › Vice-President at the Office of Dongfeng Motor (DFM)
- › Head of the Foreign Department at DFM

Relevant expertise and professional experience:

LV Haitao graduated with a Master of Science and Management degree from the University of Huazhong (China). He began his career at DPCA (a JV between Groupe PSA and Dongfeng Motors) in 1992, in the Quality Department. After holding a number of positions in the Purchasing Department, he became Executive Assistant to the Chief Executive Officer of DPCA in 2003. He held a number of positions of responsibility at DPCA. In 2012, he was appointed Chief Executive Officer of Dongfeng Peugeot, then Chief Operating Officer, Sales, of DPCA, Member of the Executive Committee. In 2016, he joined DFM as Vice-President at the Office and Head of the Foreign Division. He is currently Vice-President, Strategy and Programme Department at DFM.

Number of Peugeot S.A. securities owned as of 31 December 2017: None.

Supervisory Board member expertise

Among the kinds of expertise required to serve on the Peugeot S.A. Supervisory Board, the table below summarises the diversity and complementarity of the expertise assembled:

	Finance & risk management	International experience	Manufacturing	New economic models	Human resources	CSR	Governance
Louis GALLOIS			√		√		√
Geoffroy ROUX de BÉZIEUX		√		√			√
Marie-Hélène PEUGEOT RONCORONI	√					√	√
LIU Weidong			√	√			√
Anne GUÉRIN	√				√		√
Catherine BRADLEY	√	√					√
Pamela KNAPP	√			√	√		
Jean-François KONDRATIUK			√		√	√	
Helle KRISTOFFERSEN		√	√	√			
AN Tiecheng			√	√			√
Robert PEUGEOT	√		√				√
Henri Philippe REICHSTUL	√	√					√
Bénédicte JUYAUX	√	√	√				√
Daniel BERNARD		√		√			√

This balanced membership ensures the quality of the debates and decisions taken by the Supervisory Board.



3.1.3. Preparation and organisation of the Supervisory Board's work

3.1.3.1. ROLE AND POWERS OF THE SUPERVISORY BOARD

In accordance with the law, the Supervisory Board acts as the oversight body of the Company, which is administered and managed by the Managing Board.

Therefore, the role of the Supervisory Board is:

- to permanently monitor the management of the Company by the Managing Board, making the checks it deems necessary;
- to perform periodic checks on the management of the Company's affairs: once a quarter for the Management Report submitted to it by the Managing Board, and within three months of the end of each financial year when the Managing Board submits the parent company financial statements, consolidated financial statements and the Management Report intended for the Shareholders' Meeting, for the Supervisory Board's opinion and observations. Therefore, it also examines the Half-year Financial Report, the quarterly financial information and the financial press releases to be published by the Company.

The Managing Board thus regularly updates the Supervisory Board on the Company's financial position, cash flow situation and commitments;

- to grant, in line with its powers pursuant to Article 9 of the Company by-laws, in addition to the preliminary legal obligations, its authorisation prior to the completion by the Managing Board of the following actions:
 - a) propose any amendment to the Company by-laws (or any other decision whose purpose or effect would be to amend the Company by-laws),
 - b) conduct share issues (whether paid up in cash or by capitalising retained earnings) and capital reductions, where authorised by the Shareholders' General Meeting,
 - c) issue any and all ordinary or convertible bonds authorised by the Shareholders' General Meeting,
 - d) draft any merger agreements or agreements for partial transfer of assets,
 - e) sign or terminate any manufacturing or sales agreements representing a future commitment for the Company with companies whose corporate purpose is similar or related to that of the Company and generally the execution of any major transaction which substantially alters the scope of the business or the financial structure of the Company or the Group it controls or which are not part of the strategy announced by the Group,
 - f) purchase, sell, exchange or contribute any business property and/or goodwill in excess of the amounts determined by the Supervisory Board (currently €50 million),
 - g) purchase, take or dispose of any stake in other existing or future companies which represent directly or indirectly a capital expenditure, an expense (in corporate value) or a credit or liability guarantee, immediate or deferred, in excess of the amounts determined by the Supervisory Board (currently €50 million),
 - h) sign loan agreements, other than for bond issues, for a period or an amount in excess of the limits set by the Supervisory Board (currently €100 million),
 - i) grant or renew guarantees or [sureties] on behalf of the Company (excluding commitments to the tax and customs authorities), irrespective of the duration of the guaranteed commitments, for an amount per commitment in excess of the amount set by the Supervisory Board (currently €25 million), or for a total yearly amount in excess of the amount set by the Supervisory Board (currently €125 million),
 - j) issue any performance-based stock option or performance share plans,
 - k) buy back shares under a programme authorised by the Shareholders' Meeting, and
 - l) enter into any transaction agreement or any commitment, as part of a legal dispute or arbitration procedure in excess of the amounts set by the Supervisory Board (currently €50 million).

All of these authorisations affect the transactions performed by the Company and, depending on the nature of the transaction, may also affect the transactions performed by the Group's subsidiaries, with the exception of Faurecia.

The Supervisory Board ensures that the strategy proposed and applied by the Managing Board fits with its long-term vision. Each year, it examines and approves the medium-term strategic plan, the capital expenditure plan and the budget. It is alerted by the Managing Board as soon as possible in the case of an external event or internal developments which significantly jeopardise the Company's outlook or the projections submitted to the Supervisory Board.

The Supervisory Board is also notified every year of the main priorities of the Group's human resources policy.

3.1.3.2. OPERATING PROCEDURES OF THE SUPERVISORY BOARD

The Supervisory Board, in its operating procedures and activities, bases itself on the Board's Internal Rules; the full text of these is available on the Group website.

The Supervisory Board's Internal Rules set out the following, notably:

- the minimum number of Board meetings that must be held per year (five), as well as the procedures to be applied when holding the meetings and preparing the agenda;
- the procedures for supplying information to members (a monthly presentation on the Group's business and results);
- the roles and responsibilities of the Supervisory Board Committees;
- the obligations of Supervisory Board members;
- minimum shareholding (1,000 shares), except for French government representatives, the employee representative and the employee shareholders' representative, in accordance with the special legislative provisions applicable to them;
- rules for managing conflicts of interest: *"Any member of the Supervisory Board who finds him- or herself, even potentially, either directly or via an intermediary, in a situation in conflict with the corporate interest, must notify the Chairman of the Supervisory Board, or any person appointed by that Chairman. They shall refrain from taking part in decision-making on related issues, and as such may be asked not to take part in the vote".*

3.1.3.3. STOCK MARKET CODE OF ETHICS

The Stock Market Code of Ethics was updated in 2016 to take into account new market abuse regulations. It aims to define the preventive measures authorising members of the Supervisory Board, Executive Committee and non-voting members of the Supervisory Board to intervene on Peugeot S.A. and Faurecia securities, in line with market integrity rules (reminder of confidentiality obligations and the obligation to refrain from such activity in the event of access to insider information and the applicable penalties, reporting obligations, blackout periods, inclusion on the insiders' trading list, etc.). It is available in full on the Group's website. All corporate directors have signed on to the charter. They are periodically reminded of these obligations by the Company.

3.1.3.4. REVIEW OF THE SUPERVISORY BOARD'S OPERATING PROCEDURES

The Supervisory Board's Internal Rules set out the following: the Board regularly reviews its membership, organisation, functioning and the procedures used to exercise its control. The Board also works with the Managing Board to review the operating procedures between the two bodies.

This review has three aims, to:

- review the Board's operating procedures;
- ensure that important matters are properly prepared and discussed;
- measure the actual contribution of each member to the Board's work through their expertise and involvement in the proceedings.

For this purpose, the Supervisory Board discusses its operating procedures once a year and, every three years as a minimum, conducts a formal review in accordance with the AFEP-MEDEF Code recommendations. It is performed by the Appointments, Compensation and Governance Committee, with the assistance of an external consultant if required. The shareholders are notified every year, in the Annual Report, of the carrying-out of the review and any follow-up measures.

In 2017, the annual assessment of the operating procedures of the Supervisory Board and its committees was conducted internally then debated by the Supervisory Board at its meeting of 19 December 2017, at which Managing Board members were not present. This debate was also enriched by the findings of the meeting of the Independent Members, organised by the Senior Independent Member in December 2017.

This review found that the members of the Board were satisfied overall with its operating procedures, and particularly with the direction taken by the Finance and Audit Committee, under the impulsion of its Chairman. Similarly, the Asia Business Development Committee has made continual progress in the standard of both the topics submitted and its discussions since its creation in 2014. The actions instituted in response to the formal review in 2015, with the aid of an external consultant, have been made fixtures, as with the individual meetings of the Chairman of the Board with its members, now conducted yearly. Likewise, the plan for succession to positions on the Managing Board is drafted annually by the Appointments, Compensation and Governance Committee.

In 2017, the members of the Supervisory Board as a body attended a strategy seminar and travelled to China for the annual journey abroad. The density and quality of the topics at these two venues allowed in-depth discussion of the Group's strategic concerns at the first, and of the situation of the automotive market and of Groupe PSA in China at the second.

Following the discussion of the Board's operating procedures, some improvements were proposed. They shall be further detailed at the formal review to be conducted in the first half of 2018. In this connection, the Appointments, Compensation and Governance Committee, at its meeting on 15 December 2017, initiated a formal review of the Supervisory Board with the assistance of the external consultant who had previously audited the Board in 2013 and 2015, in view of his knowledge of Groupe PSA, and in order to have consistent points of comparison with the earlier reviews. All the members of the Board, together with the members of the Managing Board, will be audited anonymously.

The findings of this formal review, and the resulting action plan, will be detailed in the Registration Document for 2018.

3.1.3.5. SUPERVISORY BOARD MEETINGS IN 2017

The Supervisory Board met eight times in 2017, compared with nine times in 2016.

The attendance rate of its members at the meetings was 97%.

The highlight of 2017 was the acquisition of Opel Vauxhall. The acquisition process was scrutinised and examined by the Supervisory Board throughout the financial year.





The Supervisory Board also discussed the following items:

Business and finance:

- the checks and audits of the consolidated financial statements and the Peugeot S.A. company financial statements for the year 2016 and of the financial position at end 2016, together with examination of the related financial releases;
- the preparation of the Shareholders' General Meeting on 10 May 2017 and the approval of the reports presented to the Shareholders' General Meeting;
- review of the major strategic guidelines as proposed by the Managing Board (these guidelines received a favourable opinion from the Works Council, which was made known to the Board), and the prior authorisation for various strategic projects, and for the related financial operations;
- the human resources policy, with a particular focus on gender equality between men and women;
- the Group PSA CSR (corporate social responsibility) policy, which is now presented to the Board every year, it being stated that the mapping of CSR issues given in the Registration Document is now covered by a vigilance plan adopted by the Company and examined by the Board;
- the checks and audits of the earnings and the financial statements for the first half of 2017, the Half-year Financial Report and the related financial releases;
- the 2018 budget and the medium-term plan;
- Groupe PSA's prior authorisation for joint arrangements, particularly in India;
- the renewal of the annual authorisation to give sureties, endorsements and guarantees and the review of the regulated agreements in effect during 2017.

Governance and compensation:

- the drawing-up of the succession plan for the Managing Board, and the re-appointment of its members;
- the setting of the policy for compensating the members of the Managing Board for the financial year 2017;
- approval of performance share plan;
- the interim appointment of three new members to sit on the Supervisory Board (Lion Participations represented by Mr Daniel BERNARD, Bpifrance Participations represented by Mrs Anne GUÉRIN, and Mr AN Tiecheng).

A strategy seminar was also held in September 2017 and the Board held a meeting at the plant at Chengdu, China, in October 2017. The Supervisory Board also greeted the removal of the Peugeot S.A. headoffices to Rueil-Malmaison, a historic step for Groupe PSA.

3.1.3.6. THE ACTIVITY OF THE CHAIRMAN OF SUPERVISORY BOARD'S CHAIRMAN IN 2017

As required by law, the Chairman of the Peugeot S.A. Supervisory Board is responsible for organising the proceedings of the Board so as to ensure satisfactory exercise of its function of supervising the company's management activity.

In 2017, the Chairman of the Supervisory Board chaired and led the discussions at the Board's eight meetings held that year. He took care to ensure that the subjects of strategic importance to Groupe PSA were duly and exhaustively discussed, while taking due account of the requests from the members of the Board. He satisfied himself, in liaison with the Chairmen of the four Supervisory Board Committees, of the proper coordination of the various activities, with due observance of the respective duties and remits.

He covered the maintenance of a balance of functions among the governance bodies, being attentive to ensuring frequent and regular dialogue with the Chairman of the Managing Board.

As in each year, the Chairman of the Board met all the members and non-voting members of the Supervisory Board at the beginning of the year, to discuss the Board's operating procedures, give feedback on each member's contribution to the various activities, and to satisfy himself that the Board operated on a proper collegiate footing.

The Chairman of the Board attaches great importance to scrutiny of the Group's strategic projects. He ensures that the Board is kept adequately informed to enable it to exercise its supervisory powers. Accordingly, in view of the importance to Groupe PSA of the project to acquire the Opel Vauxhall assets, among other steps, the Chairman, with the Chairman of the Strategy Committee, commissioned an additional external study to substantiate the financial and strategic gains from such an acquisition.

As Chairman of the Individual Shareholders' Consultative Committee, the Chairman of the Supervisory Board exchanged with that Committee when they met in December 2017.

3.1.3.7. THE ACTIVITY OF THE SENIOR INDEPENDENT SUPERVISORY BOARD MEMBER IN 2017

As in each year, Mr Geoffroy ROUX de BÉZIEUX, as Senior Independent Member, called and chaired a meeting of the Supervisory Board's independent members. This meeting gave the independent members the opportunity to discuss the Board's operating procedures. Mr Geoffroy ROUX de BÉZIEUX went on to convey to the meeting the findings of the Supervisory Board's Chairman.

As Chairman of the Appointments, Compensation and Governance Committee, he had a major role in proposing the interim appointment of new members of the Committees, taking into account their fields of expertise.

In accordance with his terms of reference under the Board's Internal Rules, he was watchful for any conflict of interest of members that could influence the Board's deliberations. He took note of some governance-related questions from shareholders not represented on the Supervisory Board, and ensured that they were given a reply.

He also took pains to report to the Supervisory Board meeting in December 2017 on the performance of his duties.

3.1.3.8. SUPERVISORY BOARD COMMITTEES

The Supervisory Board draws on the preparatory work performed by its four committees:

- the Strategy Committee;
- the Appointments, Compensation and Governance Committee;
- the Finance and Audit Committee;
- the Asia Business Development Committee.

The role of these four committees is to prepare matters for discussion at Supervisory Board meetings. They issue proposals, recommendations and opinions on the areas falling within their terms of reference and submit them to the Supervisory Board at its meetings. Members attend Committee meetings in their own names and may not be represented by another party. The Committees may call upon external experts when adhering to their objectivity and independence requirements.

The Strategy Committee

Membership	Independent	Main roles	Principal tasks in 2017
Robert PEUGEOT (Chairman)		<ul style="list-style-type: none"> › Look at the long-term future and potential avenues for development, and suggest to the Supervisory Board general policy guidelines for the Group. › Make recommendations on the long-term strategic plans, the medium-term plan (PMT) and the investment plan presented by the Managing Board. › Ensure that the strategy proposed and applied by the Managing Board fits with the long-term vision which the Supervisory Board has defined. › At the request of the Chairman of the Supervisory Board, examine any major project from an early stage. › Examine any strategic (or non-strategic) project to be authorised by the Supervisory Board (point e above of the Internal Rules). 	<p>Four meetings in 2017 with an attendance rate of 96%. The work of the Committee included:</p> <ul style="list-style-type: none"> › examination of the strategy involved in the planned acquisition of Opel Vauxhall; › the strategic partnerships in India and Malaysia; › the medium-Term Plan (PMT) with the incorporation of Opel Vauxhall in the second half-year.
LIU Weidong			
Louis GALLOIS	√		
Jean-François KONDRATIUK			
Helle KRISTOFFERSEN	√		
Henri Philippe REICHSTUL	√		
Daniel BERNARD			

Percentage of independent directors: 50%



The Appointments, Compensation and Governance Committee

Membership	Independent	Main roles	Principal tasks in 2017
Geoffroy ROUX de BEZIEUX (Chairman)	√	<ul style="list-style-type: none"> › Appointments: <ul style="list-style-type: none"> - determining the criteria for selecting members of the Supervisory Board and the Managing Board, making proposals on the Senior Independent Member and conducting the selection process; - formulating and following a succession plan for members of the Managing Board so that it can suggest to the Board succession solutions in the event of unforeseen departures. <p>The Committee is also notified of the succession plan and appointments to the Executive Committee (for members who do not sit on the Managing Board) and to key senior-management positions within the Group. On this occasion, the Committee invite the Chairman of the Managing Board to attend the meeting.</p> <ul style="list-style-type: none"> › Compensation: <ul style="list-style-type: none"> - suggesting compensation of corporate officers in all their components, as well as any benefits in kind and retirement plans which may be allocated to them; - examining the general compensation policy for the members of the Managing Board. › Governance: <ul style="list-style-type: none"> - monitoring changes in French regulations on the governance of listed companies and recommendations by markets and issuer representatives to submit opinions; - ensuring regular evaluations by the Supervisory Board and suggesting improvements where appropriate; - examining and giving its opinion to the Supervisory Board on any proposal to amend the Company by-laws which require the advance permission of the Board. 	<p>Four meetings in 2017 with an attendance rate of 100%. The work of the Committee included:</p> <ul style="list-style-type: none"> › the Report of the Supervisory Board Chairman on corporate governance; › the interim appointment of three members of the Supervisory Board (Lion Participations represented by Mr Daniel BERNARD, Bpifrance represented by Mrs Anne GUERIN, and Mr AN Tiecheng), formally recording the appointment of a new permanent representative of Dongfeng Motors (Hong Kong) International Co. Ltd (Mr LIU Weidong), the appointment of a Vice-Chairman of the Supervisory Board (Mr Geoffroy ROUX de BÉZIEUX); › the appointment of two new non-voting members of the Supervisory Board (Messrs LV Haitao and Alexandre OSSOLA); › the Chairman's Report on governance and internal control procedures; › the compensation policy for members of the Managing Board, including an exceptional-compensation principle; › a performance share plan; › the share buyback programme; › "say on pay" resolutions submitted to the SGM; › the Chairman and Management Board succession plan.
LIU Weidong			
Catherine BRADLEY	√		
Louis GALLOIS	√		
Pamela KNAPP	√		
Marie-Hélène PEUGEOT RONCORONI			
Anne GUERIN			
Bénédicte JUVAUX			

Percentage of independent directors: 57%



CORPORATE GOVERNANCE

Management and Supervisory Bodies

In accordance with the AFEP-MEDEF Code, the evaluation of the performance of the Chairman of the Managing Board and other members of the Managing Board, as well as reflections on the future

of management, are conducted at meetings of the Appointments, Compensation and Governance Committee and Supervisory Board at which Managing Board members are not present.

The Finance and Audit Committee

Membership	Independent	Main roles	Principal tasks in 2017
Catherine BRADLEY (Chairman)	√	<ul style="list-style-type: none"> ▶ Oversees: <ul style="list-style-type: none"> - the process of preparing the financial information and the efficiency of internal control and risk management systems; - statutory auditing of the Company's annual financial statements and the Group's consolidated financial statements by the Statutory Auditors; - the independence of the Statutory Auditors. ▶ In particular, overseeing the selection procedure for renewing the Statutory Auditors. ▶ Examining and giving its opinion to the Supervisory Board on off-balance-sheet commitments, any projects requiring advance authorisation from the Board to which it refers as outlined in the Internal Rules of the Supervisory Board and the proposals on the appropriation of net profit and setting of the dividend submitted by the Managing Board. ▶ Periodically reviewing the Group's financial position and financing. 	<p>Six meetings in 2017 with an attendance rate of 97%. The work of the Committee included:</p> <ul style="list-style-type: none"> ▶ the 2016 consolidated and half-yearly financial statements, and the financial statements for the first half-year of 2017; ▶ regular monitoring of the Group's financial situation; ▶ monitoring the financial rating of the Group companies; ▶ regular review of the medium-term plan (PMT), use of the yearly budget and analysis of any differences; ▶ the Group's financial communication media; ▶ internal control and compliance, the "Top Group Risks" mapping and the 2018 audit plan; ▶ the Ethics and Compliance Committee's 2017 Report and the Competition compliance programme; ▶ the proceedings of the Groupe PSA Audit and Risk Management Department; ▶ the Groupe PSA Finance and Audit Committee's charter on authorisation for non-audit services; ▶ the acquisition of Opel Vauxhall and the issue of share subscription warrants; ▶ Peugeot S.A.'s share ownership structure; ▶ the authorisation for the annual limit on Peugeot S.A.'s power to give deposits, and issue endorsements and guarantees.
Pamela KNAPP	√		
Anne GUÉRIN			
Robert PEUGEOT			
Geoffroy ROUX de BEZIEUX	√		
AN Tiecheng			
Bénédicte JUVAUX			

Percentage of independent directors: 50%

In accordance with the French Commercial Code and the AFEP-MEDEF Code, members of the Finance and Audit Committee must have finance and accounting expertise. Therefore, the Supervisory Board considers that all members of the Committee have such expertise as proven by their experience, past careers and training as presented in Section 3.1 of the Registration Document. Mme Catherine BRADLEY is the Chairman of the Committee, and she has the required qualities, particularly as regards her role on the Board of the Financial Conduct Authority. Apart from some exceptional cases, the period given to the Committee to examine the financial statements must be no less than four calendar days before the financial statements are presented to the Supervisory Board. The yearly and half yearly consolidated financial statements and the Company financial statements are presented by the Chief Financial Officer to the Finance and Audit Committee, then the Supervisory Board along with a presentation by the Statutory Auditors on any significant weaknesses in internal control and the accounting options selected. When it takes note of the internal control and risk mapping system, particularly as regards major risks likely to have an impact on the financial and accounting information, it ensures a degree of maturity and management for these systems

and examines the way they are implemented and the way any corrective measures are applied in the event of significant weaknesses or anomalies. To that end, it is kept informed of the main observations of the Statutory Auditors and the Audit and Risk Management Division. In formalising its opinion on the quality of the internal control systems, the Committee reviews the Internal Audit plan for the coming year and is informed of the findings of the audits performed by the Audit and Risk Management Department in accordance with the plan. The Finance and Audit Committee has access to all the information it requires. It also holds meetings with the Head of the Audit and Risk Management Department, the Head of Accounting, the Head of Cash Flow and the Statutory Auditors, with or without members of the Managing Board. In this latter case, it notifies the Chairman of the Managing Board and/or the Member of the Managing Board responsible for finances. To do this, the Committee relies on the internal rules of the Committee, which outline the Committee's objectives, and the Report by the AMF Audit Committee working group of 22 July 2010. The internal rules of the Finance and Audit Committee were updated in 2016 in light of the innovations introduced by the Ordonnance 2016-315 of 17 March 2016 transposing the European reform of the audit.

The Asia Business Development Committee

Membership	Independent	Main roles	Principal tasks in 2017
AN Tiecheng (Chairman)		<ul style="list-style-type: none"> › Considering carefully the Group's long-term future in Asia, look at potential growth strategies in the Asian market and suggest to the Supervisory Board the Group's main growth strategies in Asia and consequently making its recommendations on the Group's long-term strategic plan in Asia and on the medium term plan submitted by the Managing Board for the Asia region. › Ensuring that the strategy proposed and applied by the Managing Board is consistent with the long-term vision for the Asian market as defined by the Supervisory Board. › Monitoring the implementation of the strategic and industrial partnership agreement between Groupe PSA and the Dongfeng Group. <p>The Chairman of the Supervisory Board refers all major projects concerning the Asian market to the Committee from the outset. It stays informed of the projects' content, especially their business approach and their development.</p> <p>The Committee meets when a project concerning the Asian market requires the advance authorisation of the Supervisory Board.</p>	<p>Two meetings in 2017 with an attendance rate of 92%. The work of the Committee included:</p> <ul style="list-style-type: none"> › the Chinese market; › the Asia strategy and the medium-term plan; › the associated action plans; › earnings of the Chinese joint ventures.
Helle KRISTOFFERSEN	√		
Jean-François KONDRATIUK			
Marie-Hélène PEUGEOT RONCORONI			
Henri Philippe REICHSTUL	√		
Daniel BERNARD			

Percentage of independent directors: 40%



3.1.4 Disclosures on the situation of members of the Supervisory Board and Managing Board

3.1.4.1. FAMILY RELATIONSHIPS

Marie-Hélène PEUGEOT RONCORONI, Robert PEUGEOT and Frédéric BANZET are cousins. There are no family ties among the other Supervisory Board or Managing Board members.

3.1.4.2. CONFLICTS OF INTEREST

The corporate officers have declared that no conflicts of interest arose during fiscal 2017 between their obligations to Peugeot S.A. and their personal interests or other obligations, and that none existed at the date of this Registration Document.

On 28 February 2018, the Supervisory Board reviewed possible business relationships between corporate officers and the Group. On the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board concluded that these business relationships were not material (for further details, please refer to Section 3.1.2.5.)

No loans or guarantees have been granted to or on behalf of any members of the Supervisory Board or Managing Board by the Company or any Group entities.

No assets required for the operation of the business are owned by any members of the Supervisory Board or Managing Board or their families.

This section will give you further details on the rules for preventing conflicts of interest, as laid down in the Supervisory Board Internal Rules.

3.1.4.3. SERVICE CONTRACTS PROVIDING FOR BENEFITS UPON TERMINATION OF EMPLOYMENT

None of the members of the Supervisory Board or Managing Board have service contracts with Peugeot S.A. or any of its subsidiaries providing for benefits upon termination of employment.

3.1.4.4. STATEMENTS BY MEMBERS OF THE SUPERVISORY BOARD AND MANAGING BOARD

All corporate officers have declared, as they do every year, that none of them has been:

- convicted of any fraudulent offence in the last five years;
- a corporate officer of a company that has been in bankruptcy, receivership or liquidation in the last five years;
- the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities;
- disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the last five years.



3.1.5. Trading in the Company's securities by corporate directors and officers and their close relatives

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code, the following transactions in the Company's securities by corporate directors and officers and their close relatives were declared:

Date of transaction	Name and position	Type of transaction	Securities concerned	Unit price	Transaction amount
8 March 2017	SAPAR SA, a legal entity with links to Mrs Marie-Hélène PEUGEOT RONCORONI, Legal representative of EPF, Member of the Supervisory Board	Purchase	Share purchase warrant(s)	€4.69	€14.00
8 March 2017	SAPAR SA, a legal entity with links to Mrs Marie-Hélène PEUGEOT RONCORONI, Legal representative of EPF, Member of the Supervisory Board	Exercise	Share purchase warrant(s)	€6.42	€1,874,976.00

3.1.6. Application of the AFEP-MEDEF Corporate Governance Code

The table below summarises the recommendations of the AFEP-MEDEF Code which the Company has decided not to apply:

Relevant recommendation	Explanation
Representative part of independent members of the Finance and Audit Committee (Art. 15.1)	Fifty per cent of the members of the Finance and Audit Committee are independent (instead of the minimum of two thirds recommended by the Code). The relatively large proportion of non-independent members is due to the presence of a representative of each of the three major shareholders, given the composition of the Group's share capital and its governance as a result of the capital increases in 2014. Reaching the threshold of two thirds would bring about an increase in the number of Committee members, which may hinder its effectiveness. Therefore there are no plans to reach this threshold to date.

3.1.7. Attendance of shareholders at Peugeot S.A. Shareholders' General Meetings and publication of information which may have an impact in the event of a Public Tender Offer for the Company's shares

The information concerning the attendance of shareholders at Shareholders' General Meetings and the information referred-to in Article L. 225.37-5 of the French Commercial Code concerning the Company's share capital are set out in section 7 of this Registration Document.

Pursuant to Article L. 225-37-5 of the French Commercial Code, it should be noted that there is no agreement providing for compensation for members of the Supervisory Board or the Managing Board if their term ends due to a takeover bid.

3.2. COMPENSATION OF CORPORATE OFFICERS

This chapter was drawn up with the support of the Appointments, Compensation and Governance Committee, which takes care to adhere to the recommendations of the AFEP-MEDEF Code according to its version of November 2016. It was approved by the Supervisory Board on 28 February 2018.

This chapter includes information on the principles and criteria used for determining, distributing and allocating the components which make up the overall compensation and fringe benefits attributable to the Chairman of the Managing Board, the members of the Managing Board and the members of the Supervisory Board.

These principles and criteria are defined by the Supervisory Board and constitute the compensation policy applicable to the Company's corporate officers, as submitted to the approval of the Shareholders' General Meeting of 24 April 2018 (**eleventh to fifteenth resolutions**), pursuant to Article L. 225-82-2 of the French Commercial Code, as arising from Act No. 2016-1691 of 9 December 2016, termed the "Sapin 2" Act.

This chapter also reports on the components of overall remuneration and fringe benefits paid or awarded to the Executive Directors of the Managing Board in respect of the elapsed financial year, according to the compensation policy which was approved by decision of the 2017 Shareholders' General Meeting.

These components are submitted to the approval of the Shareholders' General Meeting on 24 April 2018 (**sixteenth to twentieth resolutions**), pursuant to Article L. 225-100 of the French Commercial Code, as arising from Act No. 2016-1691 of 9 December 2016, termed the "Sapin 2" Act.

3.2.1. Principles and criteria for determining the compensation for the members of the Managing Board and its President

The Supervisory Board determines all the components of the compensation for the executive corporate officers, on a proposal by the Appointments, Compensation and Governance Committee, taking into account the principles of exhaustiveness, balance, comparability, consistency, readability and proportionality recommended by the AFEP-MEDEF Corporate-Governance Code.

The Supervisory Board wishes the policy of compensation for members of the Managing Board to be defined having regard to the Group's growth and development strategy and wishes that policy to provide the incentive to fulfilment of the short- and long-term growth targets which must be and are shared among the members of the Managing Board and the Group employees.

The compensation policy is designed by the Supervisory Board to be competitive with the compensation policies adopted by other companies in the same industry, in Europe and elsewhere, in order to motivate and retain in the Group our finest talents.

Please also note that, should a member of the Managing Board be appointed after the Shareholders' Meeting, his or her compensation will be determined by the Supervisory Board in accordance with the principles and criteria approved by the Shareholders' General Meeting, or with current practices for the exercise of similar functions, adapted as appropriate when such person is performing

new functions or is appointed to office with no equivalent in the previous year.

The components of overall compensation attributable to each of the members of the Managing Board are set out as follows:

FIXED COMPENSATION

The annual fixed compensation of the Chairman of the Managing Board and of the members of the Managing Board is determined on the basis of experience and expertise and of the responsibilities taken on by each of them.

In accordance with the AFEP-MEDEF Code, the Supervisory Board changes the fixed compensation of the members of the Managing Board only after a relatively long time interval, and only in the event of a significant change in the scope of responsibilities or of a high discrepancy compared with the positioning on the market.

For information, for 2018, the fixed annual compensation of Carlos TAVARES, Chairman of the Managing Board, amounts to €1,500,000, that of Jean-Baptiste CHASSELOUP de CHATILLON to €680,000, that of Maxime PICAT, to €710,000, and that of Jean-Christophe QUÉMARD to €650,000.

The amount of the fixed remuneration of the members of the Managing Board and its President has been revised for the first time this year, since 2009.

For information, if a member of the Managing Board is required to carry out duties from abroad, he or she may enjoy conditions for expatriation in accordance with the relevant Group policy.

ANNUAL VARIABLE COMPENSATION

It is designed to align the compensation paid to members of the Managing Board with the Group's annual performance and to contribute year on year to the implementation of its strategy.

The rules for setting annual variable compensation have remained unchanged for 2018.

In accordance with the recommendations of the AFEP-MEDEF Code (paragraph 24.3.2), the variable compensation is expressed as a percentage of fixed annual compensation; hence, for the Chairman of the Managing Board, the maximum variable compensation may be a target 170% of the fixed compensation; for the other members of the Managing Board, it may be a target 125% of their fixed compensation.

Furthermore, in order to have a variable compensation structure consistent with the large majority of market practices, and to reward outperformance, compensation for exceeding targets has been introduced. From 2017 onwards, the outperformance rate for the Chairman of the Managing Board and for the other members of the Managing Board are aligned, with compensation of up to 122% for collective Group targets. Consequently, in the event that all collective Group targets are exceeded, additional compensation may be granted. This would bring the maximum variable compensation from 170% to 200% for the Chairman of the Managing Board, and from 125% to 147% for its other members.

Based on the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board determines at the beginning of the year precise, ambitious qualitative and quantitative targets for the current financial year, after acquainting itself with the Company's medium-term strategy and activity.





Precise, pre-established, ambitious objectives

As for all employees of Groupe PSA (not including Opel Vauxhall) who receive variable compensation, a double trigger threshold based on operating free cash flow and Automotive Division of Groupe PSA recurring operating income for the upcoming year determines the payment of individual and collective targets.

Collective Group targets, of which there are at least two, represent 80% of the maximum variable part. They consist of at least one economic performance and at least one quality-related criterion. A trigger threshold determines their payment.

Targets specific to each Executive Director of the Managing Board represent 20% of the maximum variable part. They are established

in relation to the respective executive functions of the members of the Managing Board, and there are at least two of them. They are chiefly based on economic performance, with the understanding that at least one corporate social responsibility criterion is assigned to the Chairman of the Managing Board.

Quantifiable targets take precedence over qualitative targets. The criteria are defined in a precise manner.

The trigger threshold and the level of achievement required for each of these criteria are established by reference to the corresponding budget items.

Below are detailed the targets set for the members of the Managing Board, for 2018, for purposes of determining the variable element:

Threshold distribution/Targets	Thresholds/targets	Type of criterion
Double trigger threshold	Automotive Division recurring operating income (loss)	Economic performance
	Operational free cash flow for 2018 of manufacturing and sales companies (excluding restructuring and non-recurring items)	Economic performance

Threshold distribution/Targets	Thresholds/targets	Type of criterion	Percentage of maximum variable part
Collective targets ("OCG"), representing 80% of the maximum variable part	Automotive Division Operating Margin (40% of the collective target)	Economic performance	32%
	Group Operational Free Cash Flow (40% of the collective target)	Economic performance	32%
	Group World Automotive quality failure rate (10% of collective Group targets)	Corporate Social Responsibility	8%
	Group sales points recommendation rate (10% of collective Group targets)	Corporate Social Responsibility	8%

Threshold distribution/Targets	Thresholds/targets	Type of criterion	Percentage of maximum variable part
Targets specific to each Executive Director of the Managing Board, representing 20% of the maximum variable portion			
Percentage of maximum variable element			
Carlos TAVARES, Chairman of the Managing Board:	› Aggregate invoiced amounts arising from manufacturing by JVs in China	Economic performance	7,5%
	› China JV recurring operating income (loss)	Economic performance	7,5%
	› Workplace safety	Corporate Social Responsibility	2.5%
	› Percentage of women in the Group Top Management	Corporate Social Responsibility	2.5%
	› Results from Parts and Services	Economic performance	10%
Jean-Baptiste CHASSELOUP de CHATILLON:	› Recurring operating income (loss) from used vehicle activity	Economic performance	10%
Maxime PICAT:	› Europe Region recurring operating income (loss)	Economic performance	10%
	› Market share of Europe registrations	Economic performance	10%
Jean-Christophe QUÉMARD:	› Africa Middle East Region Recurring Operating Income	Economic performance	10%
	› Africa Middle East Region worldwide sales volume	Economic performance	10%

The figures are not made public for confidentiality reasons.

ANNUAL VARIABLE COMPENSATION

No multi-year compensation scheme giving rise to payment in cash was adopted for the 2018 financial year.

LONG-TERM COMPENSATION (PERFORMANCE SHARE AWARD POLICY)

Performance share award plans are set up each year to encourage members of the Managing Board to factor in the long-term consequences of their actions, to maintain their loyalty and encourage the alignment of their interests with corporate interests and the interests of the shareholders. This is part of an overall plan intended for several hundreds of senior and executive managers of the Group, pursuant to the authorisation to award performance shares to employees and to senior and executive managers, given by the Shareholders' General Meeting.

On the basis of the currently-applicable authorisation, given by the Shareholders' General Meeting of 27 April 2016 (14th resolution), the number of shares may be awarded to members of the Managing Board may not exceed 0.15% of the share capital over a 26-month period. As a reminder, this sub-limit is part of an overall limit on performance share awards, of 0.85% of the share capital.

Pursuant to this authorisation, the performance shares awarded to their beneficiaries vest upon completion of a period set by the Managing Board that may not be less than three years; the final number of shares that vest being determined over a performance measurement period of three consecutive years. The Managing Board is free to decide whether or not to set a lock-up period.

Vesting is subject to at least two performance conditions set by reference to targets internal and/or external to the Group and connected with the Group's strategic plan. None, some or all of the shares will vest, depending on the degree to which the performance objectives defined under the performance share grant are met.

The Registration Document includes, for each plan, information on vested shares and information on zero, partial or total achievement for each performance condition.

The performance share plan targets are consistent with their contribution to the Group's strategic objectives over the performance measurement period.

Each grant will include, for each member of the Managing Board:

- members of the Managing Board keep, in registered form and until the cessation of their role, at least 25% of the number of vested shares (subject to the performance conditions being met) at the end of the vesting period;
- members of the Managing Board refrain from carrying out transactions to hedge their risk on the awarded shares.

The lock-up condition mentioned above, applicable to each member of the Managing Board, will cease to apply when a member holds a number of registered shares that is equal to more than two years of his gross salary. However, the conditions shall automatically re-apply if the number of said shares falls below the target level. The calculation will take into account the price of the share on the vesting date of the performance shares.

The Supervisory Board may, when they are granted, include a provision authorising it to decide whether or not to maintain the shares not yet vested on the departure of the beneficiary.

Performance share award plan for 2018 (Plan LTI 2018)

Following its decision on 28 February 2018, the Supervisory Board decided to award performance shares to members of the Managing Board pursuant to the authorisation of the Shareholders' Meeting on 27 April 2016 (14th resolution).

This free share allocation plan covers several hundred senior and executive managers of the Group, for a total of 2,700,000 shares (representing 0.30% of the share capital at 31 December 2017). Concerning awards to members of the Managing Board, the plan provides for the award of 130,000 performance shares to the Chairman of the Managing Board and 60,000 such shares to each of the other members of the Managing Board.

Final vesting of the whole of the shares shall be subject to a quantitative performance condition, namely the average for 2018 - 2020 of the Group Automotive recurring operating margin.

The Supervisory Board has introduced a limit on the number of performance shares to be granted to Executive Directors of the Managing Board. The valuation of the shares, on the date of their allocation, may not exceed, for the 2018 financial year, 60% of the fixed compensation and the variable compensation.

The shares vest in two tranches, with 50% vesting after three years and 50% after four years.

The final number of vested shares will be determined at the end of each vesting period based on the Group's actual performance compared to targets for three consecutive years (2018-2020).

This plan does not include a lock-up period.

The performance share award also carries an obligation for each member of the Managing Board to keep and to hedge the shares in accordance with Group Policy.

EXCEPTIONAL COMPENSATION

The Supervisory Board decided to introduce a principle of awarding an exceptional compensation component awarded subject to a performance condition and in case of exceptional performance.

By its resolution of 24 October 2017, the Supervisory Board decided to award exceptional compensation to Messrs Carlos TAVARES, Chairman of the Managing Board, and Jean-Baptiste CHASSELOUP de CHATILLON, member of the Managing Board and Group Chief Financial Officer, having regard to the office they hold and their exceptional contribution for the 2017 financial year.

This resolution to award exceptional compensation for 2017 is warranted by those gentlemen's decisive contribution to the achievement of an exceptional event of importance to Groupe PSA during that period, namely the development of the "PACE!" recovery plan for Opel Vauxhall in only 100 days, following finalisation of that entity's acquisition by the Group on 1 August 2017.

The PACE! recovery plan is an ambitious plan launched in 2017, to cover the next three financial years (2018-2020). This plan is designed to restore Opel Vauxhall's economic fundamentals, and restore it to sustainable competitiveness and growth, with the aim of paving the way for Opel to generate positive Operating Free Cash Flow and a 2% recurring operating margin for the Automotive Division by 2020.

The success in recovering the Opel Vauxhall finances as provided in this plan closely involves the work of Messrs TAVARES and CHASSELOUP de CHATILLON.

Accordingly, the shareholders shall be asked to vote on the proposal for adjusting the compensation policy for 2017 by introducing an exceptional compensation component for the Chairman of the Managing Board and one of that Board's members (**eleventh and twelfth resolutions**).





CORPORATE GOVERNANCE

Compensation of Corporate Officers

This exceptional compensation is made up of four parts, each relating to the financial years 2017, 2018, 2019 and 2020 respectively:

- i) the award of this first part, as set out above, was dependent on the development and institution of this ambitious recovery plan before the end of the 2017 financial year;
- ii) whether the other three parts are actually awarded, one for each of the financial years 2018, 2019 and 2020, will depend on the achievement of quantitative goals set in the PACE! recovery plan for each of these three financial years.

By this resolution, the Supervisory Board wished first, to involve Carlos TAVARES and Jean-Baptiste CHASSELOUP de CHATILLON in the achievement of the goals relating to the restoration of the economic fundamentals of Opel Vauxhall, which entity will contribute to the profitable growth of Groupe PSA in the years to come. Secondly, the Board wished to give them an incentive to make the "PACE!" recovery plan succeed.

Pursuant to Article L.225-100 of the French Commercial Code, payment of this compensation will be subject to the passing by the shareholders of the resolution approving the compensation components.

PENSION SCHEME

A new annual defined-contribution pension system is in place since 1 January 2016, for Executive Directors of the Managing Board and members of the Executive Committee of the Group. It replaces the defined-benefit plan that was terminated effective with effect from 31 December 2015. The scheme is described in detail below. The scheme as a whole was authorised by the Supervisory Board in accordance with the procedure for regulated agreements and commitments and was submitted, on the Statutory Auditors' Special Report, to the shareholders' approval at the Shareholders' General Meeting of 27 April 2016 (fourth resolution) and, since the appointments of the Managing Board's members were due for renewal during the 2017 financial year, it was re-submitted to the approval of the Shareholders' General Meeting on 10 May 2017 (fourthth resolution).

Under the new system, the Company no longer offers guaranteed levels of retirement income, but will pay out an annual benefit that is directly tied to the Group's results and performance. The contribution is equivalent to 25% of the amount represented by the executive's salary and bonus for the year. The purpose of including the bonus in the calculation base is to ensure that the contribution is tied to Group performance.

OTHER COMPENSATION OR BENEFITS

The only benefits in kind provided to Managing Board members are a company car and medical insurance.

There is no other compensation or fringe benefit other than those stated in Section 3.2.1. There is no particular commitment to the members of the Managing Board, past or present, concerning benefits due upon the completion of their term (including end-of-term or non-compete indemnities).

SUSPENSION OF THE EMPLOYMENT CONTRACT

No member of the Managing Board performs any salaried duties in the Group. Carlos TAVARES does not hold an employment contract.

The employment contracts of Jean-Baptiste CHASSELOUP de CHATILLON, Maxime PICAT and Jean-Christophe QUÉMARD have been suspended.

This suspension was justified by their considerable length of service as employees within the Group.

3.2.2. Principles and criteria for determining the compensation for the members of Supervisory Board and its President

COMPENSATION FOR THE CHAIRMAN OF THE SUPERVISORY BOARD

The compensation for the Chairman of the Supervisory Board was set by the Supervisory Board, having regard to Louis GALLOIS' role within the Board, and in view of his experience and expertise.

The amounts of that compensation have remained unchanged since 2014, including the 2017 financial year.

For 2018, the annual fixed compensation of Louis GALLOIS, Chairman of the Supervisory Board, amounts to €300,000.

THE ANNUAL OVERALL AMOUNT OF ATTENDANCE FEES AND RULES FOR THEIR ALLOCATION WITHIN THE SUPERVISORY BOARD

Supervisory Board members and the non-voting members of the Supervisory Board receive annual attendance fees of an overall amount determined in advance by the Supervisory Board and authorised each year by the Shareholders' General Meeting. The method of allocation, as determined by the Supervisory Board, takes account of the effective attendance of the members at meetings of that Board and of the specialist committees.

Since 2016, the Supervisory Board has introduced a predominant variable portion in the attendance fees, in accordance with the recommendations of the AFEP-MEDEF Code (paragraph 20).

The overall annual amount of the attendance fees is €1.1 million.

This total annual amount is used to allocate to each member of the Supervisory Board a fixed portion in compensation for each member's attendance at and contribution to the meetings of the Board and of the Committees, together with a variable portion to reflect actual attendance at meetings.

Allowances in addition to these items are awarded to the Chairmen of each of the committees, in compensation for their preparation and superintendence of those committees' proceedings.

Additional attendance fees, to within €40,000 are allocated to the Vice-Chairmen.

On a decision of the Supervisory Board, the attendance fees are apportioned as follows:

For attendance at Board meetings:	For attendance at committee meetings:	Chairmanship of a committee:	For non-voting member of the Supervisory Board:
<ul style="list-style-type: none"> › fixed part: €16,000; › variable part: €24,000 if 100% of meetings are attended*, prorated for absences. 	<ul style="list-style-type: none"> › fixed part: €6,000; › variable part: €9,000 if 100% of meetings are attended*, prorated for absences. 	Chairman of the Finance and Audit Committee: <ul style="list-style-type: none"> › fixed part: €12,000; › variable part: €18,000 if 100% of meetings are attended*, prorated for absences. Chairmanship of other committees: <ul style="list-style-type: none"> › fixed part: €8,000; › variable part: €12,000 if 100% of meetings are attended*, prorated for absences. 	<ul style="list-style-type: none"> › fixed part: €8,000; › variable part: €12,000 if 100% of meetings are attended*, prorated for absences.

* Including attendance by audio-conference or video conference.

In the event of the total amount of €1.1 million being exceeded during a given year, a reduction coefficient may be applied to the amount of the attendance fees attributable to members and non-voting members of the Supervisory Board.

For terms of office expiring, or appointments to office during the year, entitlement to the fixed portion of the attendance fees is prorated, while entitlement to the variable portion is calculated on the basis of the total number of meetings during the year.

Apart from the above-mentioned compensation and director's fees, no other compensation is paid to the members of the Supervisory Board.

No benefits in kind have been awarded to Supervisory Board members, with the exception of a company car provided for the Chairman. The Company reimburses the members of the Supervisory Board the expenses incurred for the performance of their duties.

3.2.3. Components of compensation and benefits allocated to Executive Directors for the financial year 2017

Pursuant to Article L. 225-100 of the French Commercial Code, arising from Act No. 2016-1691 of 9 December 2016 termed the "Sapin 2" Act, the shareholders' approval is required for components of compensation and fringe benefits due or allocated in respect of the elapsed financial year to the Chairman of the Managing Board (**sixteenth resolution**), to the members of the Managing Board (**seventeenth to nineteenth resolutions**), and to the Chairman of the Supervisory Board of the Company (**twentieth resolution**).

These components of compensation which, in accordance with Article L 225-68 of the French Commercial Code, are included in this report by the Supervisory Board on corporate governance, are presented in the Report by the Managing Board on the draft resolutions, to be found in Section 8 of this Registration Document, and in the Brochure containing the Notice of the Shareholders' General Meeting on 24 April 2018.

The details of compensation for the members of the Managing Board and for the members of the Supervisory Board are included respectively in Section 3.2.4 and Section 3.2.5.





3.2.4. Details of the compensation for Members of the Managing Board (tables of AFEP-MEDEF Code)

TABLES SUMMARISING COMPENSATION, OPTIONS AND PERFORMANCE SHARES ALLOCATED TO THE MEMBERS OF THE MANAGING BOARD (TABLE NO. 1, AFEP-MEDEF CODE)

Carlos TAVARES - Chairman of the Managing Board	Financial year 2016	Financial year 2017
Compensation due in respect of the financial year (detailed in table No. 2 below)	€3,320,580	€4,707,934
Sub-total (annual compensation)	€3,320,580	€4,707,934
Value of options allocated during the year	N/A	N/A
Value of the performance shares allocated during the financial year (detailed in table No. 6 below)	130,000 shares valued at €1,385,800* (fair value estimated according to IFRS applied for the preparation of the consolidated financial statements)	130,000 shares valued at €1,999,400* (fair value estimated according to IFRS applied for the preparation of the consolidated financial statements)
Sub-total (performance shares)	1,385,800*	1,999,400*
Value of other long-term compensation plans	N/A	N/A
TOTAL	4,706,380	6,707,334

* Historical value at the award date, calculated for accounting purposes. It does not represent either the current market value or the discounted present value of the shares on the vesting date (if they vest). It does not correspond to a compensation actually received in respect of this financial year.

Jean-Baptiste CHASSELOUP de CHATILLON - Member of the Managing Board Chief Financial Officer Information Systems Executive Director	Financial year 2016	Financial year 2017
Compensation due in respect of the financial year (detailed in table No. 2 below)	€1,320,198	€1,885,720
Sub-total (annual compensation)	€1,320,198	€1,885,720
Value of options allocated during the year	N/A	N/A
Value of the performance shares allocated during the financial year (detailed in table No. 6 below)	60,000 shares valued at €639,600* (fair value estimated according to IFRS applied for the preparation of the consolidated financial statements)	60,000 shares valued at €922,800* (fair value estimated according to IFRS applied for the preparation of the consolidated financial statements)
Sub-total (performance shares)	€639,600*	€922,800*
Value of other long-term compensation plans	N/A	N/A
TOTAL	€1,959,798	€2,808,520

* Historical value at the award date, calculated for accounting purposes. It does not represent either the current market value or the discounted present value of the shares on the vesting date (if they vest). It does not correspond to a compensation actually received in respect of this financial year.

Maxime PICAT - Member of the Managing Board Executive Vice-President, Europe	Financial year 2016	Financial year 2017
Compensation due in respect of the financial year (detailed in table No. 2 below)	€432,626	€1,403,810
Sub-total (annual compensation)	€432,626	€1,403,810
Value of options allocated during the year	N/A	N/A
Value of the performance shares allocated during the financial year (detailed in table No. 6 below)	40,000 shares valued at €476,000 (fair value estimated according to IFRS applied for the preparation of the consolidated financial statements)	60,000 shares valued at €922,800* (fair value estimated according to IFRS applied for the preparation of the consolidated financial statements)
Sub-total (performance shares)	476,000*	922,800*
Value of other long-term compensation plans	N/A	N/A
TOTAL	€908,626	€2,326,610

* Historical value at the award date, calculated for accounting purposes. It does not represent either the current market value or the discounted present value of the shares on the vesting date (if they vest). It does not correspond to a compensation actually received in respect of this financial year.

Jean-Christophe QUÉMARD - Member of the Managing Board Executive Vice-President, Africa - Middle-East	Financial year 2016	Financial year 2017
Compensation due in respect of the financial year (detailed in table No. 2 below)	€1,340,592	€1,485,184
Sub-total (annual compensation)	€1,340,592	€1,485,184
Value of options allocated during the year	N/A	N/A
Value of the performance shares allocated during the financial year (detailed in table No. 6 below)	60,000 shares valued at €639,600* (fair value estimated according to IFRS applied for the preparation of the consolidated financial statements)	60,000 shares valued at €922,800* (fair value estimated according to IFRS applied for the preparation of the consolidated financial statements)
Sub-total (performance shares)	€639,600*	€922,800*
Value of other long-term compensation plans	N/A	N/A
TOTAL	€1,980,192	€2,407,985

* Historical value at the award date, calculated for accounting purposes. It does not represent either the current market value or the discounted present value of the shares on the vesting date (if they vest). It does not correspond to a compensation actually received in respect of this financial year.

TABLES SUMMARISING COMPENSATION PAID TO MEMBERS OF THE MANAGING BOARD (TABLE NO. 2 OF THE AFEP-MEDEF CODE)

	Amounts for financial year 2016 in €		Amounts for financial year 2017 in €	
	Due	Paid in 2016	Due	Paid in 2017
Carlos TAVARES - Chairman of the Managing Board				
Fixed compensation	1,300,000	1,300,000	1,300,000	1,300,000
Variable compensation	2,016,618	1,930,500	2,403,954	2,016,618
Exceptional compensation	-	-	1,000,000	-
Company car	2,796	2,796	2,796	2,796
Medical insurance benefit	1,166	1,166	1,184	1,184
TOTAL	3,320,580	3,234,462	4,707,934	3,320,598

* Employer contributions included in gross compensation pursuant to Act No. 2013-1278 of 20 December 2013.



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Compensation of Corporate Officers

Jean-Baptiste CHASSELOUP de CHATILLON - Member of the Managing Board Chief Financial Officer Information Systems Executive Director	Amounts for financial year 2016 in €		Amounts for financial year 2017 in €	
	Due	Paid in 2016	Due	Paid in 2017
Fixed compensation	618,000	618,000	618,000	618,000
Variable compensation	698,236	679,800	763,740	698,236
Exceptional compensation	-	-	500,000	-
Company car	2,796	2,796	2,796	2,796
Medical insurance benefit	1,166	1,166	1,184	1,184
TOTAL	1,320,198	1,301,762	1,885,720	1,320,216

* Employer contributions included in gross compensation pursuant to Act No. 2013-1278 of 20 December 2013.

Maxime PICAT - Member of the Managing Board Executive Vice-President, Europe	Amounts for financial year 2016 in €		Amounts for financial year 2017 in €	
	Due	Paid in 2016	Due	Paid in 2017
Fixed compensation	206,000	206,000	618,000	618,000
Variable compensation	225,489	-	782,388	225,489
Exceptional compensation	-	-	-	-
Company car	932	932	2,796	2,796
Medical insurance benefit	205	205	626	626
TOTAL	432,626	207,137	1,403,810	846,911

* Employer contributions included in gross compensation pursuant to Act No. 2013-1278 of 20 December 2013.

Jean-Christophe QUÉMARD - Member of the Managing Board Executive Vice-President, Africa - Middle-East	Amounts for financial year 2016 in €		Amounts for financial year 2017 in €	
	Due	Paid in 2016	Due	Paid in 2017
Fixed compensation	618,000	618,000	618,000	618,000
Expatriation allowance	-	-	23,175	23,175
Variable compensation	718,630	679,800	840,325	718,630
Exceptional compensation	-	-	-	-
Company car	2,796	2,796	2,796	2,796
Medical insurance benefit	1,166	1,166	888	888
TOTAL	1,340,592	1,301,762	1,485,184	1,363,489

* Employer contributions included in gross compensation pursuant to Act No. 2013-1278 of 20 December 2013.

For information, Carlos TAVARES and Jean-Baptiste CHASSELOUP de CHATILLON did not receive in 2017 attendance fees for their positions on the Boards of Faurecia and Opel Automobiles GmbH. In the same way, Mr. Maxime PICAT did not receive in 2017 attendance fees for his membership of the Board of Opel Automobiles GmbH.

Variable part and level of achievement of targets in 2017

On 28 February 2018, the Supervisory Board discussed, on the basis of the recommendations of the Appointments, Compensation and Governance Committee, the performance of the members of the Managing Board, in their absence.

Achievement of trigger thresholds and targets:

Threshold distribution/Targets	Thresholds/targets	Type of criterion	Trigger threshold
Double trigger threshold	Automotive Division recurring operating income	Economic performance	Attained
	Operational free cash flow for 2017 of the manufacturing and sales companies (excluding restructuring and non-recurring items)	Economic performance	Attained

* This trigger threshold is common to all Group employees who receive a variable element.

The figures are not made public for confidentiality reasons

Threshold distribution/Targets	Thresholds/targets	Type of criterion	Percentage of maximum variable element	Trigger threshold	Percentage of target met
Collective targets representing 80% of the maximum variable part	Automotive Division operating margin (40% of the collective target)	Economic performance	32%	Attained	122%
	Automotive Division revenue growth (40% of the collective target)	Economic performance	32%	Attained	122%
	Group World Automotive quality failure rate (10% of collective Group targets)	Corporate Social Responsibility	8%	Attained	31%
	Group sales points recommendation rate (10% of the collective target)	Performance	8%	Attained	103%

The figures are not made public for confidentiality reasons.

Threshold distribution/Targets	Thresholds/targets	Type of criterion	Percentage of maximum variable part	Trigger threshold	Percentage of target met
Targets specific to each member of the Managing Board, representing 20% of the maximum variable element					
Carlos TAVARES, Chairman of the Managing Board:	› Group Recurring Operating Income	Economic performance	10%	Attained	100%
	› Total lost-time occupational accident frequency rate	Corporate Social Responsibility	10%	Attained	100%
Jean-Baptiste CHASSELOUP de CHATILLON:	› Results from Parts and Services	Economic performance	10%	Attained	100%
	› Used vehicle activity recurring operating income	Economic performance	10%	Attained	0.9%
Maxime PICAT:	› Europe region recurring operating income	Economic performance	10%	Attained	100%
	› Market share of Europe registrations	Economic performance	10%	Attained	25%
Jean-Christophe QUÉMARD:	› Africa Middle East Region Recurring Operating Income	Economic performance	10%	Attained	100%
	› Africa Middle East Region worldwide sales volume	Economic performance	10%	Attained	100%





CORPORATE GOVERNANCE

Compensation of Corporate Officers

The figures are not made public for confidentiality reasons.

The variable proportions to be allocated to each member of the Managing Board were set at the Supervisory Board meeting on 28 February 2018 on the basis of both the targets previously

defined when establishing the policy for compensation applicable in respect of the financial year 2017, for each of the members of the Managing Board, and the percentage achievement of those targets, as illustrated below:

Members of the Managing Board	Percentage of target achievement	Amount of variable part attributed	Variable compensation achieved (as a percentage of fixed compensation)	Maximum variable compensation (as a percentage of fixed compensation)
Carlos TAVARES, Chairman of the Managing Board	108.78%	€2,403,954	184.92%	200%
Jean-Baptiste CHASSELOUP de CHATILLON	98.87%	€763,740	123.47%	147%
Maxime PICAT	101.28%	€782,388	126.60%	147%
Jean-Christophe QUÉMARD	108.78%	€840,325	135.98%	147%

SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE DIRECTOR OF THE MANAGING BOARD (TABLE NO. 4, AFEP-MEDEF CODE)

No stock subscription or purchase option plan is in effect.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE DIRECTOR OF THE MANAGING BOARD (TABLE NO. 5, AFEP-MEDEF CODE)

Nil.

PERFORMANCE SHARES AWARDED DURING THE YEAR TO EACH EXECUTIVE DIRECTOR OF THE MANAGING BOARD BY THE COMPANY AND ANY COMPANY IN THE GROUP (TABLE NO. 6, AFEP-MEDEF CODE)

(list of names)	No. and date of plan	Number of shares granted during the year	Value of the options based on the method used in the consolidated financial statements	Vesting date	Availability date	Performance conditions
Carlos TAVARES	No. 2017 22/02/2017	130,000	1,999,400	14/04/2020 (Fraction 1) 14/04/2021 (Fraction 2)	14/4/2020 (Fraction 1) 14/04/2021 (Fraction 2)	(1)
Jean Baptiste CHASSELOUP de CHATILLON	No. 2017 22/02/2017	60,000	922,800	14/04/2020 (Fraction 1) 14/04/2021 (Fraction 2)	14/04/2020 (Fraction 1) 14/04/2021 (Fraction 2)	(1)
Maxime PICAT	No. 2017 22/02/2017	60,000	922,800	14/04/2020 (Fraction 1) 14/04/2021 (Fraction 2)	14/04/2020 (Fraction 1) 14/04/2021 (Fraction 2)	(1)
Jean Christophe QUÉMARD	No. 2017 22/02/2017	60,000	922,800	14/04/2020 (Fraction 1) 14/04/2021 (Fraction 2)	14/04/2020 (Fraction 1) 14/04/2021 (Fraction 2)	(1)

(1) Conditions for the 2017 performance share award plan (Plan LTI 2017).

The Supervisory Board, at its meeting on 22 February 2017, decided to award performance shares to the members of the Managing Board (Plan LTI 2017), and pursuant to the authorisation of the Shareholders' Meeting on 27 April 2016 (i.e. the Shareholders' General Meeting held after the Macron Act of 6 August 2015).

Under this LTI 2017 Plan, the Supervisory Board resolved on the allocation of 130,000 performance shares to the Chairman of the Managing Board, and of 60,000 such shares to the other members of the Managing Board. These performance share awards are part of

an overall plan encompassing several hundreds of senior and executive managers of the Group, for a total of 2,693,000 shares (representing 0.31% of the share capital).

The shares vest in two tranches, with 50% vesting after three years and 50% after four years.

The final number of shares that vest at the end of each vesting period will be determined over a performance period of three consecutive years (2017-2019).

The final vesting of the performance shares is subject to the following performance conditions:

Fractions of shares of each vesting period

(each fraction = 50% of shares of the vesting period)

	Type of performance objective	Trigger threshold	Attainment
Fraction 1	Recurring Operating Margin Automotive Division 2017-2019	The principle: a trigger threshold consistent with the "Push to Pass" target. If the trigger threshold is reached, 50% of the shares corresponding to the fraction 1 will vest. If the trigger threshold is not reached, neither shares in this Fraction nor in the Fraction 2 will vest.	The principle: required attainment exceeds "Push to Pass" target. Beyond the trigger threshold, the number of shares that will vest will vary on a linear basis up to 100% of the shares corresponding to the fraction 1 if this target is met.
Fraction 2	Revenue growth for the Group in 2019 as compared with 2016 (at constant exchange rates)	The principle: a trigger threshold consistent with the "Push to Pass" target. If the trigger threshold is reached, 50% of the shares corresponding to the fraction 2 will vest. If the trigger threshold is not reached, no shares in the Fraction 2 will vest.	The principle: required attainment exceeds "Push to Pass" target. Beyond the trigger threshold, the number of shares that will vest will vary on a linear basis up to 100% of the shares corresponding to the fraction 2 if this target is met.

The figures are not made public for confidentiality reasons.

This plan does not include a lock-up period.

This grant includes, for each member of the Managing Board:

- an obligation to retain, in registered form and until the cessation of their role, at least 25% of the number of vested shares (subject to the performance conditions being met) at the end of the vesting period;
- a commitment to refrain from carrying out transactions to hedge their risk on the awarded shares.

These vesting and lock-up conditions, applicable to each member of the Managing Board, will cease to apply when a member holds a number of registered shares that is equal to more than two years of his gross salary. However, the conditions shall automatically re-apply if the number of said shares falls below the target level. The calculation will take into account the price of the share on the vesting date of the performance shares.

PERFORMANCE SHARES VESTING DURING THE YEAR FOR EACH EXECUTIVE DIRECTOR OF THE MANAGING BOARD (TABLE NO. 7, AFEP-MEDEF CODE)

No performance shares under the plans implemented vested during the financial year 2017.

RECORD OF STOCK SUBSCRIPTION OR PURCHASE OPTION PLANS; INFORMATION ON STOCK SUBSCRIPTION OR PURCHASE OPTIONS (TABLE NO. 8, AFEP-MEDEF CODE)

No stock options were granted since 2008.





**RECORD OF PERFORMANCE SHARE AWARDS
(TABLE NO. 9, AFEP-MEDEF CODE)**

	Plan No. 2015	Plan No. 2016	Plan No. 2017
Date of Shareholders' Meeting	24/04/13	27/04/16	27/04/16
Managing Board meeting date	27/02/15	02/06/16	10/04/17
Total number of shares granted, including the number granted to:	2,465,000	2,200,000	2,693,000
The corporate officers			
Carlos TAVARES	130,000	130,000	130,000
Jean-Baptiste CHASSELOUP de CHATILLON	65,000	60,000	60,000
Maxime PICAT	40,000 ⁽¹⁾	40,000 ⁽¹⁾	60,000
Jean-Christophe QUÉMARD	65,000	60,000	60,000
Vesting date of shares	31/03/17 for French tax residents 31/03/19 for non-French tax residents	03/06/19 (Fraction 1) 03/06/20 (Fraction 2)	14/04/20 (Fraction 1) 14/04/21 (Fraction 2)
End date of lock-up period	31/03/19	N/A	N/A
Performance conditions	(2)	(2)	(2)
Number of shares vested on 31/12/2017 (most recent date)	2,019,000	N/A	N/A
Number of options cancelled, expired or forfeited	67,000	33,500	31,500
Number of performance shares outstanding at year-end	379,000	2,166,500	2,661,500

(1) Free Shares allocated under the plan, to a named beneficiary before appointment to the Managing Board.

(2) Performance conditions are defined in Section 3.2.1.

TABLE SUMMARISING LONG-TERM COMPENSATION PAID TO MEMBERS OF THE MANAGING BOARD (TABLE NO. 10 OF THE AFEP-MEDEF CODE)

None.

**TABLE OF COMMITMENTS CONCERNING MEMBERS OF THE MANAGING BOARD
(TABLE NO. 11 OF THE AFEP-MEDEF CODE)**

	Employment contract		Supplementary pension plan ⁽²⁾		Compensation or benefits due or that may be due on termination or change in position		Non-competence indemnity		Commitments under the executive pension plan at 31/12/2016 ⁽²⁾	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Carlos TAVARES Chairman of the Managing Board since 31/03/2014		√	√			√		√		√
Jean-Baptiste CHASSELOUP de CHATILLON Member of the Managing Board since 13/03/2012	√ ⁽¹⁾		√			√		√		√
Maxime PICAT Member of the Managing Board since 01/09/2016	√ ⁽¹⁾		√			√		√		√
Jean-Christophe QUÉMARD Member of the Managing Board since 13/03/2012	√ ⁽¹⁾		√			√		√		√

(1) Employment contract suspended upon their appointment.

(2) Pension scheme:

A new pension system has been in place since 1 January 2016, for Executive Directors of the Managing Board and members of the Executive Committee of the Group. It replaces the defined-benefit plan that was terminated effective 31 December 2015. The service cost recognised in 2015 under the former defined benefit plan for the Group's Executive Directors and the members of the Executive Committee amounted to €5.6 million, before taking into account the reversal of the related provision due to the plan's termination. Termination of the plan led to the reversal of a €34 million provision in the 2015 consolidated financial statements, net of the cost of transitioning to the new system. The Managing Board redistributed to all employees the savings from the executive pension plan. This redistribution was in addition to the previous Group compensation and profit-sharing plans and was recognised as an expense in 2015.

Under the new system, the Company no longer offers guaranteed levels of retirement income, but will pay out an annual benefit that is directly tied to the Group's results and performance. The system provides for the payment of an annual top-up contribution, of which 50% in the form of contributions to an external fund as part of an optional defined contribution pension plan ("Article 82" plan) that can only be withdrawn when the plan participant retires, and the other 50% in cash (based on a system of upfront taxation).

The contribution is equivalent to 25% of the amount represented by the executive's salary and bonus for the year. The purpose of including the bonus in the calculation base is to ensure that the contribution is tied to Group performance. The combined value of the annual top-up contributions and the vested benefits described below may not exceed an amount equal to eight times the ceiling for Social Security contributions multiplied by 23 (multiplier determined by the actuaries as corresponding to the average number of years over which benefits are expected to be paid). In respect of 2017, the annual top-up contribution awarded to members of the Management Board for the performance of their duties amounted to €925,988 for Carlos TAVARES, €345,435 for Jean-Baptiste CHASSELOUP de CHATILLON, €350,097 for Maxime PICAT and €364,581 for Jean-Christophe QUÉMARD (these amounts are subject to payroll taxes and income tax, and the net payment will be around 50% of the amounts shown).

The charge recognised in 2017 for the defined-contribution pension plan for members of the Managing Board and the other Executive Committee members amounted to €4.7 million, comprised of €2.35 million paid to a pension fund and €2.35 million paid in cash to beneficiaries (taking into account a scheme based on up-front taxation).

To compensate for the loss of vested benefits accumulated up until end-2015 under the terminated defined benefit plan, plan participants were awarded a payment corresponding to the value attributed to the benefits less a deduction for age, seniority in the Group and length of participation in the plan. Based on these criteria, the payments awarded to members of the Managing Board ranged from 5% to 30% of their projected benefits under the terminated defined benefit plan. 50% of the payment was in the form of a contribution to an external fund that will be paid out when the executive concerned takes retirement, and the other 50% was in cash. Payment of the balance of entitlements is being spread over three years. Backspace, hence yearly for the Managing Board members: €470,000 for Carlos TAVARES, €332,000 for Jean-Baptiste CHASSELOUP de CHATILLON, €38,743 for Maxime PICAT and €510,000 for Jean-Christophe QUÉMARD (these amounts are subject to payroll taxes and income tax, and the net payment will be around 50% of the amounts shown).

50% of the payment was in the form of a contribution to an external fund that will be paid out when the executive concerned takes retirement, and the other 50% was in cash. The payments are being spread over three years (2016, 2017 and 2018). The second payment was made in respect of the 2017 financial year. Each payment is conditional on the individual concerned continuing to be employed by the Group at the end of the year concerned.

Consulted prior to the implementation of the plan, the AFEP-MEDEF High Committee on corporate governance ruled that this plan complied with the recommendations set out in the AFEP-MEDEF Corporate Governance Code for listed companies. In addition, the Peugeot S.A. Works Council issued a unanimously favourable opinion on this new system.

The pension scheme was approved under regulated commitments at the Shareholders' General Meeting of 27 April 2016 (4th resolution) and again at the Shareholders' General Meeting of 10 May 2017 (4th resolution) on account of the renewal of appointments to the Managing Board.





3.2.5. Details of the compensation for the Chairman and Members of the Supervisory Board

For information, in respect of 2017, the Chairman of the Supervisory Board once again waived the compensation awarded to him (€300,000), and the attendance fees (of €70,000) which should have been paid to him on the basis of his attendance at meetings of the Board and the committees.

The amounts allocated to Louis GALLOIS, Chairman of the Supervisory Board, in compensation for the work he performed in connection with his office, are shown in the table below, presented in the format of summary table No.2 as recommended by the AFEP-MEDEF Code. These amounts will not be paid to him in respect of the 2017 financial year, since the Chairman waived them.

Louis GALLOIS - Chairman of the Supervisory Board	Amounts for financial year 2016		Amounts for financial year 2017	
	Due	Paid in 2016	Due	Paid or awarded for 2017
Fixed compensation ⁽¹⁾	€300,000	€0	€300,000	€0
Variable compensation	N/A	N/A	N/A	N/A
Attendance fees	€70,000	€0	€70,000	€0
Exceptional compensation	N/A	N/A	N/A	N/A
Company car	€2,796	€2,796	€2,796	€2,796
Medical insurance benefit	N/A	N/A	N/A	N/A
TOTAL	€372,796	€2,796	€372,796	€2,796

ATTENDANCE FEES AND OTHER COMPENSATION RECEIVED IN RESPECT OF THE FINANCIAL YEAR 2017 BY NON-EXECUTIVE DIRECTORS (MEMBERS OF THE SUPERVISORY BOARD) (TABLE NO. 3, AFEP-MEDEF CODE)

Members of the Supervisory Board	Amounts paid during the financial year 2016	Amounts paid during the financial year 2017
Louis GALLOIS⁽¹⁾ Chairman and member of the Supervisory Board		
Attendance fees, other compensation	0 ⁽¹⁾	0 ⁽¹⁾
Geoffroy ROUX de BEZIEUX Vice-Chairman of the Supervisory Board ⁽²⁾		
Attendance fees	37,333	40,000
Attendance fees (attendance at committee meetings)	33,200	35,000
Other compensation (as Vice-Chairman of the Supervisory Board) ⁽²⁾		20,000
Marie-Hélène PEUGEOT RONCORONI Permanent Representative of EPF on the Supervisory Board Vice-Chairman of the Supervisory Board		
Attendance fees	40,000	40,000
Attendance fees (attendance at committee meetings)	28,200	30,000
Other compensation (as Vice-Chairman of the Supervisory Board)	40,000	40,000
Jack AZOULAY Vice-Chairman of the Supervisory Board until June 2017		
Attendance fees	9,333	20,000
Attendance fees (attendance at committee meetings)	8,850	12,750
Other compensation (as Vice-Chairman of the Supervisory Board)	10,000	20,000
ZHU Yanfeng Permanent representative of DMHK until June 2017 Vice-Chairman of the Supervisory Board until June 2017		
Attendance fees	26,667	17,000
Attendance fees (attendance at committee meetings)	25,500	10,500
Other compensation (as Vice-Chairman of the Supervisory Board)	40,000	20,000

Members of the Supervisory Board	Amounts paid during the financial year 2016	Amounts paid during the financial year 2017
Anne GUÉRIN		
Permanent representative of Bpifrance Participations since 25 July 2017 Vice-Chairman of the Supervisory Board until 25 July 2017		
Attendance fees		20,000
Attendance fees (attendance at committee meetings)		13,500
Other compensation (as Vice-Chairman of the Supervisory Board)		20,000
Daniel BERNARD		
Permanent representative of Lion Participations since 25 July 2017		
Attendance fees		20,000
Attendance fees (attendance at committee meetings)		15,000
Catherine BRADLEY		
Member of the Supervisory Board		
Attendance fees	30,667	40,000
Attendance fees (attendance at committee meetings)	35,100	45,000
Pamela KNAPP		
Member of the Supervisory Board		
Attendance fees	40,000	37,000
Attendance fees (attendance at committee meetings)	30,000	30,000
Jean-François KONDRATIUK		
Member of the Supervisory Board		
Attendance fees	40,000	40,000
Attendance fees (attendance at committee meetings)	30,000	30,000
Helle KRISTOFFERSEN		
Member of the Supervisory Board		
Attendance fees	24,000	40,000
Attendance fees (attendance at committee meetings)	19,250	25,500
LIU Weidong		
Permanent representative of DMHK since 25 July 2017 Vice-Chairman of the Supervisory Board since 25 July 2017		
Attendance fees	37,333	37,000
Attendance fees (attendance at committee meetings)	35,000	31,000
Other compensation (as Vice-Chairman of the Supervisory Board)		20,000
AN Tiecheng		
Member of the Supervisory Board since 25 July 2017		
Attendance fees		17,000
Attendance fees (attendance at committee meetings)		16,000
Robert PEUGEOT⁽³⁾		
Permanent representative of FFP on the Supervisory Board		
Attendance fees	40,000	40,000
Attendance fees (attendance at committee meetings)	35,000	35,000
Henri Philippe REICHSTUL		
Member of the Supervisory Board		
Attendance fees	37,333	40,000
Attendance fees (attendance at committee meetings)	25,500	30,000
Anne VALLERON⁽¹⁾		
Member of the Supervisory Board		
Attendance fees	0	0
Attendance fees (attendance at committee meetings)	0	0
Bénédicte JUYAUX⁽¹⁾		
Member of the Supervisory Board since 25 July 2017		
Attendance fees		0
Attendance fees (attendance at committee meetings)		0





CORPORATE GOVERNANCE

Compensation of Corporate Officers

	Amounts paid during the financial year 2016	Amounts paid during the financial year 2017
Members of the Supervisory Board		
Florence VERZELEN Permanent representative of SOGEP, member of the Supervisory Board until 10 May 2017		
Attendance fees	40,000	17,333
Attendance fees (attendance at committee meetings)	30,000	13,000
Florence VERZELEN Member of the Supervisory Board from 10 May 2017 until 25 July 2017		
Attendance fees		2,667
Attendance fees (attendance at committee meetings)		2,000
Frédéric BANZET Non-voting member of the Supervisory Board		
Attendance fees	20,000	20,000
Aymeric DUCROCQ Non-voting member of the Supervisory Board until June 2017		
Attendance fees	16,000	10,000
WEI Wenqing Non-voting member of the Supervisory Board until June 2017		
Attendance fees	20,000	10,000
Alexandre OSSOLA Non-voting member of the Supervisory Board since 25 July 2017		
Attendance fees		8,500
LV Haitao Non-voting member of the Supervisory Board since 25 July 2017		
Attendance fees		10,000
TOTAL	884,266	1,040,750

(1) In 2017, Louis GALLOIS waived his compensation as Chairman of the Supervisory Board and the attendance fees due to him, as he did in 2016.

Anne VALLERON (employee shareholders' representative until 10 May 2017) also waived her attendance fees.

Bénédicte JUYAUX (employee shareholders' representative) also waived her attendance fees in 2017.

(2) Geoffroy ROUX de BÉZIEUX (Senior Independent Member) has sat as Vice-Chairman since 25 July 2017.

(3) Robert PEUGEOT also received €46,500 from Faurecia for 2017 and €49,500 for 2016 as compensation for his office as a director and member of the management committee of that company. As a former executive of the Group, he receives an additional pension of €160,030 per year (former Article 39 scheme) paid by Axa.

In 2017, attendance fees were prorated for Florence VERZELEN, Jack AZOULAY, Anne VALLERON, ZHU Yangfeng, the non-voting member of the Supervisory Board Messrs WEI Wenqing and Aymeric DUCROCQ, whose term of office expired during the year (in June 2017), and for Bpifrance (Anne GUÉRIN) and Lion Participations (Daniel BERNARD), Bénédicte JUYAUX, AN Tiecheng, Alexandre OSSOLA and LV Haitao, who were appointed to corporate offices during the financial year 2017 (July 2017).

Anne VALLERON and Bénédicte JUYAUX waived their entitlement to the attendance fees payable to them in respect of the 2017 financial year.

In addition, for information, the attendance fees of Messrs Jack AZOULAY and Aymeric DUCROCQ were paid to the State (the Public Treasury), and the attendance fees payable to Messrs ZHU Yanfeng, LIU Weidong, WEI Wenqing and LV Haitao were paid to DMHK.