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Peugeot S.A.

Annual General Meeting held to approve the financial statements for the year ended December 31, 2017

Statutory Auditors' Report on Related Party Agreements and Commitments

MAZARS
61, rue Henri-Regnault
92400 Courbevoie
S.A. à directoire et conseil de surveillance
au capital de € 8.320.000
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Peugeot S.A.

Annual General Meeting held to approve the financial statements for the year ended December 31, 2017

Statutory Auditors' Report on Related Party Agreements and Commitments

To the Annual General Meeting of Peugeot S.A.,

In our capacity as Statutory Auditors of your company, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the principal terms, conditions and benefits for the company of the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-58 of the French Commercial Code ("Code de commerce"), it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is our responsibility to report to the shareholders the information pursuant to Article R.225-58 of the Code de commerce relating to agreements and commitments previously approved by the Shareholders' Meeting during the year.

We performed the procedures that we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

1. AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE ANNUAL GENERAL MEETING

We inform you that we have not been given notice of any agreement or commitment authorized during the year to be submitted for approval of the Annual General meeting pursuant to the provisions of Article L. 225-86 of the French Commercial Code (*Code de Commerce*).

2. AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

In accordance with Article R.225-57 of the French Commercial Code (*Code de commerce*), we were informed that the following agreements and commitments approved by your Annual General Meeting in previous years remained in force during the past year.

1. With the French state and DongFeng Motor Group Company Ltd

Persons concerned: Etablissements Peugeot Frères (EPP) and FFP

Directors concerned at the time of the authorization of the agreement: Mrs. Marie-Hélène Peugeot Roncoroni, permanent representative of EPF on the Supervisory Board of your Company, MSSRS. Thierry Peugeot, Vice-Chairman and deputy Chief Executive Officer of EPF and Chairman of the Supervisory Board of your Company, Jean-Philippe Peugeot, Chairman and Chief Executive Officer of EPF, Vice-Chairman and Director of FFP et Vice-Chairman of the Supervisory Board of your Company, and Robert Peugeot, Permanent representative of FFP on the Supervisory Board of your Company.

Directors concerned at the date of this report: Mrs. Marie- Hélène Peugeot Roncoroni and Mr. Robert Peugeot.

Acquisitions of minority interest

Your Supervisory Board authorized on February 18, 2014 ("Memorandum of Understanding") and on March 18, 2014 ("Master Agreement" as well as other agreements mentioned below) the following agreements:

- A "Memorandum of Understanding" dated February 18, 2014, with DongFeng_Motor Group Company Ltd, the French state, and EPF and FFP companies, aiming at, firstly, formalizing the principles applicable to capital transactions regarding the investment by DongFeng Motor Group Company Ltd and the French state, as well as governance rules to set up after these capital transactions and, secondly, set discussions and work to be performed for the implementation of these capital transactions, this implementation being subject to the subsequent signing of a final legal documentation;
- A "Master Agreement" dated March 26, 2014, with DongFeng Motor Group Company Ltd, the French state, EPF and FFP in accordance with the "Memorandum of Understanding", and substituting the latter, designed to detail the terms and conditions of capital transactions and governance rules of these capital transactions.

In accordance with the "Master Agreement", the following agreement remained in force during the past year:

- "Shareholders Agreement", signed with DongFeng Motor Group Company Ltd, the French state, EPF and FFP, designed to set the rules and principles applicable between the parties after DongFeng Motor Group Company Ltd and the French state acquired interest in your Company in terms of governance and acquisition or sale of shares. The rules and principles contained in the Shareholders Agreement are the ones set out in section 22 of the Registration Document filed with the AMF on April 2, 2014.

These agreements did not give rise to any effects during the year ended December 31, 2017.

2. With Automobile Peugeot S.A. (« AP »), Automobile Citroën S.A. (« AC ») and PSA Automobiles S.A. (formerly Peugeot Citroën Automobiles S.A. (PCA))

Persons concerned on the signing date of the agreement: Mr. Varin, Chairman of the Executive Board of your Company, and Chairman of the Board of Directors of PSA_Automobiles S.A., Mr. Faury, Member of the Executive Board of your Company and General Manager and Director of PSA_Automobiles S.A., Mr. Chasseloup de Chatillon, Member of the Executive Board of your Company and Permanent Representative of your Company on the Board of Directors of AP and Director of AP and PSA_Automobiles S.A., and Mr. Saint-Geours, Member of the Executive Board of your Company and Chairman of the Board of Directors of AP and AC.

Persons concerned on the signing date of this report: Mr. Tavares, Chairman of the Executive Board of your Company, and Chairman of the Board of Directors of PSA Automobiles S.A., and Mr. Chasseloup de Chatillon, Member of the Executive Board of your Company and Permanent Representative of your Company on the Board of Directors of AP and Director of AC.

Cash collateral agreement to secure payment obligations On December 18, 2012, the Supervisory Board authorized a cash collateral to secure the payment obligations of AP, AC and PSAAutomobiles S.A.

In the context of a sale of receivables program set by Crédit Agricole Corporate and Investissement Bank in which PSA Automobiles S.A., AP and AC took part, your Company provided a cash collateral in favor of Ester Finance Titrisation, assignee of the receivables, in order to secure the payment obligations of PSAAutomobiles S.A., AP and AC in respect of the program documentation.

For that purpose, the « Cash Collateral Agreement » was signed on December 20, 2012 between your Company, Crédit Agricole Corporate, Investment Bank and Ester Finance Titrisation.

Originally, the cash collateral agreement amounted to €30.000.000 and to € 15.000.000 at December 31, 2016. It was fully refunded on December 31, 2017 following the commercial receivables transfer program expiry. The cash collateral, initially amounting to € 30,000,000 and then to € 15,000,000 as at December 31, 2016, was fully repaid on October 31, 2017 upon expiry of the receivables program.

For the year ended December 31, 2017, the guarantee commission charged by your Company to each of the three entities (PSA Automobiles SA, AP and AC) amounted to €6,188.

3. With some of your Company's subsidiaries

Persons concerned on the date of this report:

- For PSA Automobiles S.A.: Mr. Tavares, Chairman of the Executive Board of your Company and Chairman of the Board of Directors of PSA Automobiles S.A.
- For AP and AC: Mr. Chasseloup de Chatillon, Member of the Executive Board of your Company and Permanent Representative of your Company on the Board of Directors of AP and Director of AC.
- For BPF: Mr. Tavares, Chairman of the Executive Board of your Company and Director of BPF and Mr. Chasseloup de Chatillon, Member of the Executive Board of your Company and Permanent Representative of your Company on the Board of Directors of BPF.

Share of Group general studies and administrative expenses

As a reminder, your Company billed its main subsidiaries (PSA Automobiles S.A. (formerly Peugeot Citroën Automobiles S.A. (PCA), Automobile Peugeot S.A. (« AP ») Automobile Citroën S.A. (« AC ») and Banque PSA Finance) for their share of Group general and administrative expenses. The amount received by your Company was estimated based on revenues.

In 2017, a total amount of €117,368,342 was received by your Company in respect of the subsidiaries' share of Group general and administrative expenses.

4. With the Executive Board's Members

Continuance of the pension plan

As a reminder, the commitment relating to the implementation of the new defined contribution pension scheme as at January 1, 2016 was authorized by the Supervisory Board of Peugeot SA at its meeting held on December 15, 2015 and approved at the General Meeting of Shareholders of April 27, 2016.

At its meeting of February 22, 2017, the Supervisory Board of your Company, after having renewed the mandate of the members of the Executive Board, authorized the continuance of the defined contribution pension plan for their benefit, under the same financial conditions as those already authorized. This regulated commitment was the subject of the Statutory Auditors' special report dated May 10, 2017 and was approved by the Shareholders' Meeting of May 10, 2017 (4th resolution).

This plan provides for:

- a yearly contribution to the pension plan, equal to 25% of the sum of the fixed and variable yearly salary. This yearly contribution is composed of 50% of payments made to an independent organization within the framework of an optional pension plan with fixed contributions (article 82 and withheld until pension withdrawal, and 50% of cash considering pre-taxes. This contribution amounted to € 925,988 for Mr. Tavares, € 345,435 for Mr. Chasseloup de Chatillon, € 364,581 for Mr. Quemard and € 350,097 for Mr. PICAT for the 2017 fiscal year.
- -The contribution paid for three consecutive years starting in 2015, and taking into account the rights cumulated until the end of 2015 by beneficiaries under the defined benefit pension plan terminated by the Supervisory Board, reduced by a coefficient based on the age, the time spent in the plan and the time spent in the Group; it is composed of 50% contributions paid to a third party and blocked until the liquidation of the pension rights of the person concerned, and 50% in cash. The payment of the balance of rights is spread over 3 years (2016, 2017 and 2018) and is conditional on the presence of the employee in the company at the end of each year concerned. This payment amounted to € 470,000 for Mr. Tavares, € 332,000 for Mr. Chasseloup de Chatillon, € 510,000 for Mr. Quemard and € 38,743 for Mr. Picat for the 2017 financial year.

As a reminder, the decisions of the Supervisory Board have taken into consideration the advantages and disadvantages of the defined benefit pension plan in relation to the new planned scheme envisaged, in particular the fact that the latter is much less costly for the Group.

Courbevoie and Paris-La Défense, March 12, 2018

The statutory auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Jérôme De Pastors

Thierry Blanchetier

Ioulia Vermelle

Laurent Miannay