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Statutory auditors' report on related party agreements and commitments

MAZARS  
Tour Exaltis  
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 31 December 2018

### 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 present to you our report on related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-58 of the French Commercial Code (Code de commerce), to assess the relevance of these agreements and commitments prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-58 of the French Commercial Code (Code de commerce) of the continuation of the implementation, during the year ended 31 December 2018, of the agreements and commitments previously approved by the Annual General Meeting.

We performed those procedures which 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 the consistency of the information provided to us with the relevant source documents.

### Agreements and commitments submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements or commitments authorized and concluded during the year ended 31 December 2018 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-86 of the French Commercial Code (Code de commerce).

## 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 have been notified that the implementation of the following agreements and commitments, which were approved by the Annual General Meeting in prior years, continued during the year ended 31 December 2018.

1. With the French State and DongFeng Motor Group Company Ltd (shareholders with more than 10% of the voting rights)

Persons concerned

Etablissements Peugeot Frères (EPF) and FFP.

Corporate officers concerned at the time of approval of the agreement

Ms Marie-Hélène Peugeot Roncoroni, permanent representative of EPF on your Company's Supervisory Board, Mr Thierry Peugeot, Vice-Chairman and Chief Operating Officer of EPF and Chairman of the Supervisory Board of your Company, Mr Jean-Philippe Peugeot, Chief Executive Officer of EPF, Vice-Chairman and Director of FFP and Vice-Chairman of the Supervisory Board of your Company, and Mr Robert Peugeot, permanent representative of FFP on the Supervisory Board of your Company.

Corporate officers concerned at the date of this report

Ms Marie-Hélène Peugeot Roncoroni and Mr Robert Peugeot.

Acquisitions of minority interests

The Supervisory Board of your Company approved, at its meetings on 18 February 2014 (approval relating to the Memorandum of Understanding) and on 18 March 2014 (approval relating to the Master Agreement, as well as to the other agreements mentioned below), the conclusion of the following agreements:

- ▶ a Memorandum of Understanding concluded on 18 February 2014, with DongFeng Motor Group Company Ltd., the French State, EPF and FFP, designed, firstly, to formalize the principles applicable to the proposed capital transactions within the context of the acquisition of equity by DongFeng Motor Group Company Ltd. and the French state, as well as to the governance rules to be set up after the performance of these capital transactions and, secondly, to provide a framework for the discussions and work to be done for the implementation of the proposed transactions, this implementation being subject to the subsequent signing of final legal documentation;
- ▶ a Master Agreement concluded on 26 March 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 the capital transactions and the governance rules applicable upon completion of these transactions.

In accordance with the provisions of the Master Agreement, the performance of the following agreement continued during the year ended 31 December 2018:

- ▶ The Shareholders Agreement, concluded with DongFeng Motor Group Company Ltd., the French State, EPF and FFP, designed to fix the rules and principles applicable between the parties after the entry of DongFeng Motor Group Company Ltd. and the French State into the capital of your Company, in terms of governance and the acquisition or sale of shares. The rules and principles contained in the Shareholders Agreement are those set out in section 22 of the Registration Document filed with the AMF (French financial markets authority) on 2 April 2014.

These agreements did not have any effect during the year ended 31 December 2018.

2. With PSA Automobiles S.A., Automobiles Peugeot, Automobiles Citroën, Opel Automobile GmbH and Banque PSA Finance (entities with a corporate officer or director in common with your Company)

Persons concerned

- ▶ For PSA Automobiles S.A.: Mr Tavares (Chairman of the Managing Board of your Company and Chairman of the Board of Directors of PSA Automobiles S.A.).
- ▶ For Automobiles Peugeot (AP) and Automobiles Citroën (AC): Mr Chasseloup de Chatillon (member of the Managing Board of your Company, permanent representative of your Company on the Board of Directors of AP and Director of AC) until 31 July 2018, date on which he resigned from all his terms of office within PSA Group companies.
- ▶ For Banque PSA Finance (BPF): Mr Tavares (Chairman of the Managing Board of your Company and Director of BPF), Mr Chasseloup de Chatillon (member of the Managing Board of your Company and permanent representative of your Company on the Board of Directors of BPF) until 31 July 2018, effective date of his resignation from all his terms of office within PSA Group companies.
- ▶ For Opel Automobile GmbH: Mr Tavares (Chairman of the Managing Board of your Company and Chairman of the Supervisory Board of Opel Automobile GmbH) et Mr Picat (member of the Managing Board of your Company and member of the Supervisory Board of Opel Automobile GmbH).

Contribution to the Group's study, management and operating expenses

Your Company invoices its principal subsidiaries (PSA Automobiles S.A. (formerly Peugeot Citroën Automobiles S.A. (PCA)), Automobiles Peugeot, Automobiles Citroën, Opel Automobile GmbH and Banque PSA Finance), for their contribution to study, management and operating expenses. The amount of the contributions to be paid is calculated on the basis of revenue excluding taxes.

For financial year 2018, your Company received €96,969,703. During the financial year 2018, your Company has reimbursed € 29,139,726 to its subsidiaries' in respect of their contribution for the financial year 2017.

### 3. With the members of the Managing Board of your Company

#### Persons concerned

Mr Tavares (Chairman of the Managing Board of your Company), Mr Chasseloup de Chatillon (member of the Managing Board of your Company until 31 July 2018), Mr Quemard (member of the Managing Board of your Company) and Mr Picat (member of the Managing Board of your Company).

#### Maintenance of the pension plan

The implementation a new defined contribution pension scheme for the members of the Managing Board as of 1 January 2016 was authorized by the Supervisory Board of your Company at its meeting on 15 December 2015 and approved at the General Meeting of Shareholders on 27 April 2016.

At its meeting on 22 February 2017, the Supervisory Board of your Company, after having renewed the terms of office of the members of the Managing Board, authorized the maintaining of the defined contribution pension plan for their benefit, under the same financial conditions as those already authorized. This regulated commitment was approved by the General Meeting of Shareholders on 10 May 2017 (fourth resolution).

This plan provides for the following:

- ▶ the payment of an annual additional contribution for retirement equal to 25% of the sum of the fixed compensation and the variable compensation for the year. 50% of this additional contribution is composed of payments made to a third-party organization under an optional defined contribution pension plan (Article 82 of the French Tax Code (Code general des impôts)), blocked until the settlement of the pension rights of the person concerned. The other 50% is composed of a sum in cash (taking into account a system based on tax on entry). The additional contribution in respect of financial year 2018 amounts to €995.874 for Mr Tavares, €360.327 for Mr Quemard and €413.315 for Mr Picat. As Mr Chasseloup de Chatillon resigned during the year, his annual additional contribution for retirement, representing €237.274, was not paid;
- ▶ the allocation of a balance of entitlements, paid for three consecutive years as from financial year 2015, taking into account the entitlements accrued as at the end of 2015 by the beneficiaries under the defined benefit pension plan terminated by the Supervisory Board of your Company. This balance applies to the entitlements thus constituted with a deduction depending on age, length of membership in the plan and length of service in the Group; 50% of it is composed of payments made to a third-party organization, blocked until the settlement of the pension rights of the person concerned, and 50% is composed of a sum in cash. The payment of the balance of entitlements is spread over three years (2016, 2017 and 2018) and is conditional upon the employee being on the payroll of the Company at the end of each of the years concerned. In respect of financial year 2018 this payment amounts to €470.000 for Mr Tavares, €510.000 for Mr Quemard and €38.743 for Mr Picat, in respect of financial year. The €332.000 due to Mr Chasseloup de Chatillon, under the commitment made by your Company, will not be paid, in accordance with the decision of your Supervisory Board on 18 December 2018 fixing the conditions of his departure.

For the record, the decisions of the Supervisory Board of your Company “were taken in the light of the advantages and disadvantages of the defined benefit pension plan compared to the proposed new plan, in particular the fact that the latter is considerably cheaper for the Group”.

Courbevoie and Paris-La Défense, 8 March 2019

The Statutory Auditors

French original signed by:

MAZARS

ERNST & YOUNG et Autres

Thierry Blanchetier

Jérôme De Pastors

Laurent Miannay

Ioulia Vermelle

