

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.  
This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Statutory auditors' report on related party agreements

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 2019

### Statutory auditors' report on related party agreements

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.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements 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. 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 2019, of the agreements 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

In accordance with Article L. 225-88 of the French Commercial Code (Code de commerce), we have been notified of the following related party agreements which received prior authorization from your Supervisory Board.

1. With Bpifrance's group Companies (shareholder with more than 10% of the voting rights)

### Persons concerned

- Mrs Anne Guérin, permanent representative of BPIfrance Participations on the Supervisory Board of your Company.
- Mr Daniel Bernard, permanent representative of Lion Participations on the Supervisory Board of your Company.

### Nature and purpose

At its meeting of December 17, 2019, the Supervisory Board of your Company authorized, pursuant to Article L. 225-86 of the French Commercial Code, the conclusion of a letter of commitment between Bpifrance Participations, and its subsidiary Lion Participations (hereinafter collectively "BPI") and PSA, which was executed on the same day.

The conclusion of this commitment letter is part of the context of the Combination Agreement entered into on the same day between PSA and Fiat Chrysler Automobiles N.V. ("FCA") to set out the terms and conditions for the completion of the proposed merger (the "Merger") between the PSA and FCA groups announced on October 31, 2019 and on December 19, 2019.

### Terms and Conditions

BPI has undertaken to make the following key commitments under the letter of commitment:

- Commitment of support: BPI has undertaken to vote in favor of the Merger at the PSA's annual general meeting called to approve this transaction.
- Standstill commitment: BPI has undertaken not to acquire, alone or in concert, shares of PSA, FCA or the future combined entity until the seventh anniversary of the completion of the Merger.
- Conservation commitment: BPI may not sell its interest in PSA and then in the future combined entity until the third year of the completion of the Merger. As an exception to the foregoing, BPI may sell shares of PSA or of the future combined entity within the limit of 2.5% of the share capital of the future combined entity (or 5% of the share capital of PSA).

No financial consideration is due under the engagement letter with BPI.

### Reasons justifying why the Company benefits from the agreement

Your Supervisory Board gave the following reasons: the Supervisory Board considered that the commitment letter with BPIfrance Participations and Lion Participations is justified in light of PSA's corporate interest in contributing to the completion of the Merger between PSA and FCA, a transaction whose benefits for Peugeot S.A. were recognized by the Supervisory Board at its meetings on October 30, 2019 and December 17, 2019

2. With Etablissements Peugeot Frères (EPF) and FFP (shareholders with more than 10% of the voting rights)

#### Persons concerned

- Mr Robert Peugeot, permanent representative of FFP on the Supervisory Board of your Company.
- Mrs Marie-Hélène Peugeot-Roncoroni, permanent representative of EPF on the Supervisory Board of your Company.

#### Nature and purpose

At its meeting on 17 December 2019, the Supervisory Board of your Company ("PSA") authorised, pursuant to Article L. 225-86 of the French Commercial Code, the signature of a letter of commitment between Etablissements Peugeot Frères, FFP (hereafter "EPF/FFP") and PSA, which was executed on the same day.

The conclusion of this letter of commitment comes in the context of the conclusion Agreement entered into on the same day between PSA and Fiat Chrysler Automobiles N.V. ("FCA") to set out the terms and conditions for the completion of the proposed merger (the "Merger") between the PSA and FCA groups announced on October 30, 2019 and on December 17 2019.

#### Terms and Conditions

EPF/FFP has committed to the following main commitments in the letter of commitment:

- Commitment of support: EPF/FFP has undertaken to vote in favor of the Merger at the PSA General Meeting called to approve this operation.
- Standstill commitment: EPF/FFP has undertaken not to acquire, alone or in concert, shares of PSA, FCA or the future combined entity until the seventh anniversary of the completion of the Merger. As an exception to the foregoing, EPF/FFP may acquire, if it so wishes, additional shares of PSA (before completion of the Merger) or of the future combined entity (after completion of the Merger) representing up to 2, 5% of the capital of the future combined entity (or 5% of the capital of PSA), exclusively by acquiring shares from BPI and DMHK, or on the market up to 1% of the capital of the future combined entity (or 2% of the capital of PSA) plus the percentage of PSA shares or of the future combined entity sold by BPI to any person other than EPF/FFP (or their affiliates).
- Conservation commitment: EPF/FFP will not be able to transfer its interest in PSA and then in the future combined entity until the third year of the completion of the Merger.

No financial consideration is due under the letter of commitment with ETH/FFP.

#### Reasons justifying why the Company benefits from the agreement

Your Supervisory Board gave the following reasons:: The Supervisory Board considered that the letter of commitment with EPF/FFP is justified in light of your Company's corporate interest in that it contributes to the completion of the Merger between PSA and FCA, an operation whose benefits for Peugeot S.A. were acknowledged by the Supervisory Board at its meetings on October 30, 2019 and December 17, 2019.

3. With the companies of the DongFeng Motor Group (shareholder with more than 10% of the voting rights)

Person concerned

- Mr LI Shaozhu, permanent representative of DongFeng Motor (Hong Kong) International Co. Ltd (DMHK) on the Supervisory Board of your Company

Nature and purpose

At its meeting of December 17, 2019, the Supervisory Board of your Company ("PSA") authorized, pursuant to Article L. 225-86 of the French Commercial Code, the conclusion:

- of letter-agreements between PSA and the companies of the DongFeng Motor Group ("DongFeng") under the terms of which commitments were made by DongFeng and PSA; and
- of the buy-back agreement between PSA and DMHK for the acquisition by PSA of 30,700,000 PSA shares from DMHK.

The conclusion of the letter agreements and the buy-back agreement takes place in the context of the conclusion Agreement concluded on the same day between PSA and Fiat Chrysler Automobiles N.V. ("FCA") to set out the terms and conditions for the completion of the proposed merger (the "Merger") between the PSA and FCA groups announced on October 31, 2019.

- Letters of agreement

DongFeng has committed to the following key commitments under the Letters of Agreement:

- Support commitment: DongFeng has committed to vote in favor of the Merger at the PSA shareholders' meeting called to approve the transaction.
- Standstill commitment: From the signing of the commitment letter and until the seventh anniversary of the completion of the Merger, DongFeng undertook not to acquire, alone or in concert, any shares of PSA, FCA or the future combined entity that may increase its stake in the future combined entity beyond the stake that would be obtained at the date of the execution of the commitment letter.
- Conservation commitment: DongFeng will transfer 30,700,000 PSA shares prior to the completion of the Merger with PSA, under the conditions described below, or to third parties. DongFeng will be subject to a lock-up commitment for the remainder of its shareholding in PSA until completion of the Merger.

No financial consideration is due under the letter agreements with DongFeng.

- Re-purchase Agreement

The repurchase would be carried out by acquiring a block of shares off-market (under the existing PSA share repurchase program authorized by the Company's Annual General Meeting of April 25, 2019 under the terms of its fourteenth resolution) at the highest closing price of the PSA share on Euronext Paris over a period of five trading days chosen by DMHK beginning between the date of signature of the repurchase agreement and the earliest of the following two dates: (i) 10 trading days prior to the completion of the Merger and (ii) 10 trading days prior to December 31, 2020. The repurchase price would not exceed the maximum price of € 30 per share authorized as part of PSA's existing share-repurchase programme.

PSA will cancel the shares purchased from DMHK.

Reasons justifying why the Company benefits from the agreement

Your Supervisory Board gave the following reasons

Your counsel's rationale for this agreement was as follows: The Supervisory Board considered that the letter-agreements with DongFeng and the repurchase agreement with DMHK are justified in the light of your Company's corporate interest in that they contribute to the completion of the Merger between PSA and FCA, a transaction whose benefits for Peugeot S.A. were acknowledged by the Supervisory Board at its meeting on October 30, 2019 and December 17, 2019.

#### 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, which were approved by the Annual General Meeting in prior years, continued during the year ended 31 December 2019.

1. With PSA Automobiles S.A., 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. (formerly Peugeot Citroën Automobiles SA (PCA)) : Mr Tavares (Chairman of the Managing Board of your Company and Chairman of the Board of Directors of PSA Automobiles S.A.) and Mr. Picat (member of the Management Board and Director of PSA Automobiles SA).
- ▶ For Banque PSA Finance (BPF): Mr Tavares (Chairman of the Managing Board of your Company and Director of BPF), and Olivier BOURGES (Member of the Management Board and Chairman of the Board of Directors of Banque PSA Finance).
- ▶ For Opel Automobile GmbH: Mr Tavares (Chairman of the Managing Board of your Company and Chairman of the Supervisory Board of Opel Automobile GmbH), Mr Michael Lohscheller (Member of the Management Board of your company as of 1 September 2019 and Chief Executive Officer 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 until 1 December 2019).

Your Company invoices its principal subsidiaries (PSA Automobiles S.A., 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.

The amount received by your company in respect of the subsidiaries' share of the group's study, management and operating expenses amounted to € 187,074,361 for the financial year 2019, including € 45,523,086 as an adjustment to the fees owed by its subsidiaries for the financial year 2018.

2. With the French State, Etablissements Peugeot Frères (EPF) and FFP and DongFeng Motor Group Ltd (shareholders with more than 10% of the voting rights)

Corporate officers concerned at the time of approval of the agreement

Mrs 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

Mrs 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, 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,
- ▶ a Master Agreement entered into on 26 March 2014 with DongFeng Motor Group Company Ltd., the French state, EPF and FFP in accordance with the Memorandum of Understanding, and designed to substitute the latter, the purpose of which is 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 previous year:

- ▶ 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.

These agreements did not have any effect during the year ended December 31, 2019.

Courbevoie and Paris-La Défense, 9 April 2020

The Statutory Auditors

French original signed by:

MAZARS

ERNST & YOUNG et Autres

Thierry Blanchetier

Charles Desvernois

Laurent Miannay

Ioulia Vermelle

