

## **New Social Contract Meeting of 12 July 2013**

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The seventh meeting in the process to build the New Social Contract with employee representatives was held on 12 July.

The purpose of the meeting was to pursue discussions on proposed measures concerning older employees for the 2014-2016 period. In addition, an initial draft agreement on the new three-year Human Resources Planning and Development policy was distributed during the meeting. Lastly, the third section of the New Social Contract concerning levers to turn the Group around and maintain strong foundations in France was introduced. As part of this section, a study of labour cost trends in France and at PSA was presented.

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### **1. New proposals concerning the 2014-2016 scheme for older employees (flexible end-of-career schedules)**

After reviewing the different measures already offered to older employees to help them transition to retirement, a number of changes and adjustments to the current scheme were tabled:

- Guaranteed income increased to 70% of the reference salary over the entire period, combining part-time work and leave.
- A guaranteed minimum income of at least €1,800 over 12 months.  
As a result, more than 50% of older employees would already qualify for this guaranteed minimum income and receive more than 70% of their compensation.
- Supplementary compensation corresponding to 20% of the IDVR voluntary retirement benefit will be paid when the employee first takes part in the scheme.

NB: standard measures over 24 months before the employee decides to retire, and over 36 months for employees in hardship jobs (17 years in alternating shifts or night work)

NB: maintaining an older employee in his or her job means that a new young person may be hired under a work-study scheme.

### **2. Introduction of the third section of the New Social Contract concerning levers to turn the Group around and maintain strong foundations in France**

The Group has announced the timetable for this third section and the issues that could be presented in September, in as much as the background will have been discussed at the meetings on 12 July (labour costs) and 18 July (work flexibility and organisation).

A presentation of PSA's compensation policy over the past ten years demonstrated how favourable it has been for employees:

- A major increase in employee purchasing power across every job category.
- Minimum wages significantly exceeding levels set by law and in collective bargaining agreements.
- Seniority bonuses exceeding levels in collective bargaining agreements.
- Non-discretionary and discretionary profit-sharing schemes that are favourable to employees.
- A sharp improvement in employee benefits over the past ten years, with the supplemental defined contribution insurance scheme in 2002, the favourable harmonisation of death and disability coverage in 2009, and the Vitali nationwide mutual healthcare insurance plan, whose employer contribution will increase this month to 35% from 25% previously.

**The next meeting will be held on 18 July.**