

## New Social Contract Meeting of 18 September

On 18 September, the eleventh meeting was held with employee representatives to build the New Social Contract to align the Group's competitiveness needs with employee interests.

The two objectives of this meeting, which was added to the original schedule, were to respond to questions about measures proposed in prior meetings and to present and discuss an initial draft of the New Social Contract agreement.

During the Q&A session, Management explained important measures that would take effect if the agreement receives majority backing, covering in particular:

- **The PSA intergenerational contract.**
- **The management of reduced workweek days (RTT).**
- **The variable hours working system in the plants.**
- **Telecommuting.**
- **A promotional offer for used vehicle purchases by employees.**
- **A system to give employees a share in the results of PSA Peugeot Citroën's recovery.**

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### 1. More than 2,000 young people to be hired on work-study contracts in the next two years

If the agreement is signed, **Management announced its commitment to hiring more than 2,000 young people in the next two years under work-study arrangements** (apprenticeship, skills qualification, VIE co-op placement or CIFRE doctoral student contract) within the framework of the PSA intergenerational contract applicable in France for the 2014-2016 period. This intergenerational contract is based on the concept of one young person brought into the workforce for one senior retained through end-of-career transitioning.

Interested seniors would also be given the opportunity to adjust their end-of-career schedules over a maximum period of two years (extended to three years for employees in hardship positions).

### 2. Reduced workweek day (RTT) system maintained, with an obligation to take allotted days within each year (day shift employees)

**To align employees' basic interests with the need to reduce provision expenses stemming from the capitalisation of reduced workweek days (RTT), Management has proposed to maintain the existing system of 11 days for day shift employees, with an obligation to take the allotted days within each year.**

**The days would be tallied as of 1 January of each year.**

**The rules for taking RTT days would be revised:**

- Employees would be obliged to take the 11 days within the calendar year.
- Up to five of the RTT days would be scheduled in cooperation with the departments and local labour unions on the basis of collective work programmes. One of the RTT days would be scheduled on the French national solidarity day and at least five would be scheduled at the employee's discretion.
- Current RTT tallies would be maintained, but the balance as of 31 December 2013 would have to be gradually taken:
  - Before the employee leaves the Company or retires, for the permanent un-capped reserve.
  - By 31 December 2015 (date under review), for the permanent capped reserve (currently capped at 20 days).
- Employees would be able to receive payment in lieu of time off only in exceptional circumstances, for example to buy a Peugeot or Citroën vehicle, to prevent over-indebtedness, to finance their children's higher education or in the event of a marriage or civil partnership.

**3. Rules governing the variable hours working system in the plants defined** The 45% premium currently applied for variable hours on Saturdays would be reduced to the legally mandated level of 25% and would be paid at the end of the month. The variable hours working system would range from five extra days to five days off, with the possibility of carrying over three extra days/three days off. Any changes in the work schedule notified less than seven days in advance would not be covered by the variable hours working system.

**4. Innovative measures concerning workplace quality of life were proposed, notably telecommuting with related guarantees.**

**5.** At the labour unions' request, a plan to launch a promotional offer for used vehicle purchases by employees will be defined in the near future. This plan would extend the existing employee offer.

**6.** To give employees a share in the results of the Company's recovery (as defined by a return to breakeven in the Automobile Division), **Management confirmed its commitment to drafting an amendment to the current three-year agreement governing discretionary and non-discretionary profit sharing.** This amendment would increase the percentage of redistribution of recurring operating income and revise the allocation of amounts paid under discretionary profit sharing.

The Group will also propose an additional discretionary profit sharing payment after 2014, once the Automobile Division has returned to breakeven.

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**An initial draft of the New Social Contract framework agreement was submitted to the labour unions for review.**

The New Social Contract includes four agreements covering measures to:

- Strengthen social dialogue as part of the recovery strategy (social cohesion to share the Company's vision, challenges and projects).
- Anticipate changes in jobs and skills within the Group (secure jobs and skills).
- Create a PSA intergenerational contract (bring young people into the workforce and retain seniors under appropriate arrangements).
- Sustain a dynamic of development and competitiveness (maintain PSA Peugeot Citroën's strong base in France and preserve employees' essential interests).

**As announced, details will be provided at the next meeting on the commitments and concessions in the agreement on competitiveness to maintain the Group's strong base in France.**