

**AGREEMENT RELATIVE TO IMPLEMENTATION
OF THE EUROPEAN COMMITTEE OF THE PSA PEUGEOT CITROEN GROUP**

BETWEEN THE UNDERSIGNED:

The PEUGEOT S.A. company represented by Mr.

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AND:

The following trade unions represented:

for Fédération Générale des Mines et de la Métallurgie CFDT
by Mr. GRAFF

for Fédération de la Métallurgie CFE-CGC
by Mrs. FLECHER

for Fédération de la Métallurgie CFTC
by Mr. DESESPRINGALLE

for Fédération des Travailleurs de la Métallurgie CGT
by Mr. MOREAU

for Fédération Confédérée FO de la Métallurgie
by Mr. BILQUEZ

for Fédération Nationale de la Métallurgie CSL
by Mr. LENGLET

for Fédération Européenne des Métallurgistes (FEM)
by Mr. FLUGER

Second party

It has been agreed as follows:

PREAMBLE

The development of the activities of the Group in the European Union, the determination to improve information and dialogue inside the company and the construction of Europe are the reasons which led the group to create a European Committee.

Article 1: Implementation of a European Committee

Article 1-1: Purpose

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The European Committee is a structure for information, dialogue and exchange of views concerning the orientations of the group at European level in the economic, financial and social fields and also the major developments of subsidiaries in the European Union.

This agreement shall apply to all the members of staff of subsidiaries of the Group as defined in article 2.

Article 1-2: Connection with the the French group committee

The group committee shall constitute the French part of the European Committee.

Article 2: Field of application

For France, the companies concerned shall be those included in the scope of the group committee under the conditions stated in article L. 439-1 of the French Employment Code.

For the other European countries, the companies taken into consideration shall be subsidiaries controlled by the group under the terms specified in European directive 94/45 of September 22, 1994, and the French Employment Code.

Article 2-1: Withdrawal from the group

In the case of modification or disappearance of one or more legal criteria used for attachment to the PSA Group, the company concerned shall no longer be included in the scope of the European Committee.

Article 2-2: Inclusion in the Group

Any company which satisfies the criteria defined by law subsequent to establishment of this agreement shall be taken into consideration for constitution of the European Committee at the time of the next two-yearly renewal of the committee.

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Article 3: Composition

Article 3.1: Definition of the participants

The European Committee shall consist of:

- * the Chairman of the Executive Committee of Peugeot S.A. or his representative acting as Chairman
- * the staff representatives

30 representatives of the French group committee.

The French members shall be appointed by the employee trade unions from their members elected to the company or works committees of all the companies of the group, on the basis of the results of the latest elections.

12 representatives of the European subsidiaries

Twelve seats shall be reserved for the representatives of European countries, excluding France. These representatives must be employees of the Group and shall be appointed in subsidiaries employing more than 150 persons.

This distribution may be modified through an additional clause to this agreement in the case of a significant change in the staff numbers of the countries concerned.

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Article 3-2: Appointment of representatives of foreign subsidiaries

The distribution of seats, determined by agreement, is shown in the appendix.

In each company, the representatives of employees of the said company shall be chosen by the representative trade unions according to local rules or national practices from persons elected to the company or works committee, if any. The organization of this appointment shall be the responsibility of the management of subsidiaries in the countries concerned.

The General Management of the Group shall appoint a subsidiary management in each country which shall be responsible for implementation of the appointment by the trade unions of the representative or representatives of the European Committee and their substitutes.

Article 3-3: Term and renewal of terms of office

The appointment shall be made for a period of two years.

The loss, for any reason whatsoever, of a first level representation, or equivalent, necessary to sit on the European Committee, except for the case of transfer inside the Group, shall automatically lead to loss of the representation on the European Committee: the trade union which made the initial appointment should then make a new appointment for the remainder of the term of office until expiry of the two-year period.

Where a staff representative comes from a company which is no longer part of the group, the trade union which appointed him should then appoint another representative from one of the group companies for the remainder of the term of office until expiry of the two-year period.

Article 3-4: Substitutes

In the case of non-availability of the representative or his substitute, the trade unions shall appoint substitutes under the same conditions from elected members or employee representatives of one of the companies or establishments concerned.

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Article 4 - Responsibilities

In terms of legislation in force on the date of signature of this agreement, the European Committee shall receive all the information communicated to the French group committee which it shall replace in compliance with article 9 of this agreement. This information shall concern, in particular, the financial situation, the employment situation and the economic prospects.

In this context, it may be assisted by a chartered accountant (under the conditions defined in article L 439-2 of the French Employment Code).

The European Committee shall also receive complementary information specific to all the activities in European countries in the context of the provisions of Directive 94/45 of September 22, 1994, and the French Employment Code.

In order to prepare the annual meeting, the European Committee shall be entitled to use an expert of its choice for as long as it considers this necessary to accomplish its task. The appointment of the expert and the details of his assignment shall be decided by the majority of the members of the European Committee: the conditions of payment of consultation costs and possibly study costs by the Group shall be defined in agreement with the Management. An expert given a study assignment shall present his report at the full meeting.

Article 5 - Operation

Article 5-1: Chairmanship

The meeting shall be chaired by the Chairman of the Executive Committee of Peugeot S.A. or his representative, assisted by an assistant and the persons involved in terms of a subject listed in the agenda.

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Article 5-2: Secretariat

The Committee shall appoint, by majority vote, a secretary and an assistant secretary, chosen from its members, for a period of two years.

Article 5-3: Frequency of meetings

A meeting of the European Committee, convened by its Chairman, shall be held at least once a year in Paris (registered office). The members shall be informed of the date of the meeting at least one month in advance.

Article 5-4: Agenda

The agenda shall be drawn up by the Chairman and the secretary and shall be communicated to the members and the substitutes at least two weeks prior to the date of the meeting. It shall take into account questions communicated to the Secretary by the members which are within the scope of the Committee.

Article 5-5: Organization of meetings

Meetings shall be held in French, with translation for the representatives from other European countries.

Article 5-6: Minutes

The minutes of each meeting, indicating the exchanges which took place after the information communicated, shall be drawn up and translated under the responsibility of the secretary and the assistant secretary with the agreement of the Chairman who shall ensure distribution to the members of the Committee.

Within one month of receiving the minutes, each member of the Committee may send requests for rectification to the Chairman or the Secretary. These rectifications shall be sent to all the members of the European Committee.

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Article 6: Operating costs

The management of the group shall organize the meetings of the European Committee and pay the costs thereof.

Article 7: Situation of staff representatives

Where no legal provisions are applicable, the travel costs of full members and substitutes shall be paid by their company of origin according to the rules in force in each company.

The time spent at meetings shall be equivalent to working time and shall be remunerated as such.

In addition, in terms of the preparation of full meetings, each full member shall be attributed one day remunerated as working time, on the day previous to the meeting, the afternoon of which shall be dedicated to a joint meeting with the interpreters in the premises of the registered office. This time shall be taken into account for travel expenses.

Article 8: Obligation of discretion

The members of the European Committee, the experts and, in particular, the chartered accountant, shall be bound by an obligation of discretion in regard to confidential information given as such by the Chairman of the European Committee or his representative.

Article 9: Connection with other organizations

The European Committee which, in addition to its own functions, integrates those of the French group committee, shall not replace the staff representation organizations specific to

each company - Central works committees, company committees or establishment committees, company boards, etc. - which shall keep all their responsibilities.

In the case where new responsibilities are attributed, through legislation, to the French group committee for activities in France, they shall be exercised without the representatives of the European subsidiaries.

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Article 10: Term of the agreement

This agreement is signed for an unlimited period. It may be cancelled by either of the parties through notice given at last six months prior to the two-yearly renewal date.

However, partial revision of this agreement may be requested by the majority of the trade unions signatory hereto or by the Management without this leading to overall cancellation.

In the event of any difficulty of interpretation, the French version shall be considered as authentic.

Article 11: Advertising and registration

This agreement shall be registered by the Management of PSA with the Paris Regional Labour and Employment Administration and with the industrial tribunal in the region of the registered office.

Established in Paris on
in as many copies as parties hereto

For the PEUGEOT S.A. company

for C.F.D.T.

for C.F.E - C.G.C.

for C.F.T.C.

for C.G.T.

for F.O.

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for C.S.L.

for F.E.M.

APPENDIX

Representation of countries of the European Union, excluding France

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COUNTRY	Number of seats
Germany	2
Austria	1
Belgium	1
Spain	3
Great Britain	2
Italy	1
Holland	1
Portugal	1
Denmark	-
Switzerland	-
Total:	12