

**DRAFT RESOLUTION FILING  
FOR THE ANNUAL GENERAL MEETING  
OF STELLANTIS  
ON 13 APRIL 2023**

**CONTEXT**

**STELLANTIS N.V.** was created on January 16, 2021 by the merger of two automotive groups FCA and PSA and is headquartered in the Netherlands.

The three reference shareholders together hold 27.56% of the capital. A Special Voting Share mechanism has been introduced in the Articles of association allowing shareholders to be given an additional share with voting rights for each of their shares registered in a "Loyalty Register" for at least three years.

This mechanism conflicts with the "one share-one vote" principle and establishes inequality between shareholders. It would allow the three reference shareholders to de facto control the company as they could represent 43.21% of the voting rights (if all their shares were to be registered), given that the participation rates for the 2021 and 2022 General meetings were of 68.77% and 70.98% respectively.

Given the date of creation of the company, the SVS will be issued in 2024. Therefore, it is at the 2023 General meeting that a vote should be taken to ensure that this mechanism is not implemented.

▪ **The merger: several questions on the conditions of the operation**

As soon as the 50/50 merger between the automotive groups Fiat Chrysler (FCA) and Peugeot SA (PSA) was announced in October 2019, Phitrust questioned the conditions of this merger "between equals" and drew the attention of the shareholders to several points of this merger that remained unsatisfactory both on the financial and social aspects and on the rights of the minority shareholders in the future entity.

Amongst these points was the fact that the location of the new headquarters in the Netherlands could lead to a **substantial regression of shareholders' rights compared to French law** and that the remuneration of Stellantis' executives could be likely to increase unreasonably without shareholder approval. Phitrust had also warned about the special voting rights mechanism provided for in the Combination Agreement between PSA and FCA.

▪ **Governance :**

. **The independence of the Board could be improved**

The current composition of the Board shows a certain pre-eminence of the reference shareholders. The Articles of association stipulate that two Directors representing Exor NV (Agnelli family), one Director representing EPF/FFP (Peugeot family) and one Director representing the French State via Bpifrance should sit on the Board; two Directors representing the employees also sit on the Board.

Andrea Agnelli resigned as a member of the Stellantis Board of Directors in January 2023 following the Juventus football club affair. At the AGM on April 13, a new Director representing Exor should therefore be appointed. Out of eleven members, the Stellantis board has only four independent Directors.

Name	Function	Independence	Age	Nationality	Beginning of mandate	End of mandate	Number of Mandates	
							Executive	External
John Elkann	Executive Chairman Stellantis and Ferrari ;	No	46	IT	2021	2026	3	0
	CEO Exor							
Robert Peugeot	VP Stellantis,	No	72	FR	2021	2026	0	5
	EPF/FFP							
Henri de Castries	Senior Independent Director	Yes	67	FR	2021	2026	0	2
Carlos Tavares	Chief Executive Officer	No	63	PT	2021	2026	1	0
Andrea Agnelli	Exor	No	47	IT	2021	2023	0	3
Fiona Clare Cicconi	Employee Rep. Salarié	No	56	UK	2021	2025	0	1
	FCA							
Jacques de Saint-Exupéry	Employee rep. PSA	No	65	FR	2021	2025	0	1
Nicolas Dufourcq	CEO Bpifrance	No	58	FR	2021	2025	0	2
Ann Frances Godbehere	Director of multiple Boards	Yes	67	CA	2021	2025	0	2
Wan Ling Martello	Director of multiple Boards	Yes	64	US	2021	2025	0	3
James Kevin Scott	Dir. Technology Microsoft	Yes	50	US	2021	2025	0	1
11 directors		44,40%						
		(excl Employee Rep.)						
<b>Proposed Director AGM 2023</b>								
-	Exor	No	-	-	2023	-	-	-

## . A complex governance

John Elkann is the Executive Chairman of the group, a role which from the point of view of balanced governance seems to conflict with the fact that there is another executive officer in the person of the CEO, Carlos Tavares.

Furthermore, the group's Articles of association state that the person chairing the Board of Directors must be a non-executive director and have the title of Senior Independent Director (Article 20.2). According to this definition, the person chairing the Board of Directors is Mr. Henri de Castries (Senior Independent Director). However, previous general meetings have been chaired by Executive Chairman John Elkann. These overlapping roles contribute to an image of governance complexity, which is not conducive to the smooth running of a company.

▪ **The minority shareholder at Stellantis:**

. **Current Stellantis shareholding**

Stellantis' shareholder base includes three reference shareholders (Exor NV, EPF/FFP and Bpifrance) holding together 27.56% of the capital and voting rights.

Name	% of the capital	% of voting rights
Exor N.V	14,3%	14,3%
Peugeot Family group (EPF, FFP)	7,13%	7,13%
Bpifrance (French State)	6,13%	6,13%
Free float	72.4%	72.4%

. **Rights of minority shareholders at the AGM:**

- **In Dutch law**

The rights of minority shareholders are quite limited in the Netherlands. It is possible for a shareholder to put an item to the agenda or a resolution to the General meeting, but in order to do so, 3% of the capital must be presented (unless the company's Articles of association provide for a lower threshold). This request must be sent at the latest 60 days before the General meeting (Art. 2:114a Dutch Civil Code).

However, it is up to the Board of Directors to decide on the final form of the resolution that has been filed (agenda item without vote, consultative resolution, binding resolution).

- **In the Stellantis articles of association**

The Articles of association of Stellantis have adopted the same provisions as the Dutch law by maintaining the holding threshold at 3%; the request for filing a resolution must be made no later than the 60th day prior the General meeting (Art. 24.8).

However, a resolution to amend these Articles of association may only be adopted by the General meeting on the prior proposal of the Board of Directors and shall be passed by an absolute majority of the votes cast (Art. 30.1).

It is the Board of Directors that sets the terms and conditions for the issuance, allotment, acquisition, holding, redemption and transfer of shares with special voting rights, thus exercising a discriminatory role in accepting or rejecting a shareholder's entitlement to SVS (Art.6.2).

A limitation of voting rights to 30% exists for shareholders acting alone or in concert (Art. 16.1). However, it is not clear whether the three current reference shareholders are considered to be acting in concert, especially considering that Bpifrance voted against the report on executive remuneration which was rejected by 52% of the voters at the Stellantis 2022 General meeting.

▪ **A contested remuneration**

The remuneration of executive directors is a subject of questioning for the minority shareholders of the new company Stellantis.

At the General meeting of April 15, 2021, the remuneration policy was presented, however, the amounts of remuneration received for the financial year 2020 (including that of the CEO) were not disclosed to the shareholders. The resolution was nevertheless voted with a low score of **55.8%**.

In 2022, Stellantis was more transparent in its annual report by giving the remuneration amounts of the two executive directors for 2021. For the majority of shareholders, the CEO's remuneration seemed unjustified at this stage of the merger, and its overall amount positioned it as the highest remuneration in the European automotive sector. This resolution on the remuneration report was rejected by the shareholders with a **negative vote of 52%**.

In the Netherlands, the vote on remuneration is consultative; it is the Board of Directors that decides whether to change the remuneration policy following a rejection by the General meeting. The Board of Stellantis has announced that it 'takes note of the feedback from the advisory vote on the remuneration report and will explain in the 2022 remuneration report how this vote has been taken into account'.

The successive votes of disapproval at Stellantis 2021 and 2022 General meetings do not bode well for the confidence that shareholders have in the management of the new group. Phitrust's experience over the last 20 years in the largest listed companies in France (CAC40) has shown that a governance that is not sufficiently balanced and in which the executive directors ignore the voice of their minority shareholders is a warning of serious problems to come for the company.

#### • Conclusion

**If the statutory provision on SVS were to take full effect from January 2024 (three years after the merger), the three reference shareholders, if they had registered all their shares in the "loyalty register" in 2021, would obtain de facto control with 43.21% of the votes. As there does not appear to be any declared concerted action, the 30% voting limitation would not apply, thus substantially reducing the impact of minority shareholder votes and rendering any opposition vote partly ineffective.**

In order to maintain the rights of minority shareholders, we therefore **propose that a draft resolution** be filed on the agenda of the General meeting of April 13, 2023 of Stellantis, **requesting that the Articles of association of the company be amended to cancel the voting rights attached to the "Special Voting Shares"**.

. N.B.: The legal threshold for the inclusion of this draft resolution on the agenda is **3%** of the company's capital, representing **96.4 million shares**, to be presented to the Company **no later than February 12, 2023.**