

France seeks Renault board meeting to replace chair and CEO Carlos Ghosn

Reuters - Jan 16, 2019

PARIS - The French government is moving to dismiss Renault's scandal-hit Chairman and CEO Carlos Ghosn and has requested a board meeting to consider candidates to replace him, sources with knowledge of the matter said.

The French state, Renault's biggest shareholder, had until now supported the company's decision to keep Ghosn in his post while he awaits trial in Japan for alleged misconduct at Nissan, the French carmaker's alliance partner he also chaired until his dismissal in November.

But the government, which holds a 15 percent stake in Renault and two board seats, has asked the company to convene its nominations committee followed by a full board meeting on Jan. 20 to begin the process of appointing one or more successors to Ghosn, according to three people briefed on the process.

The French move to replace Ghosn follows a decision by the Tokyo District Court earlier Tuesday to deny the ousted chairman's request for release on bail.

Ghosn has been charged over allegations he failed to disclose about ¥9 billion in additional compensation for the period from 2010 to 2018 that he had arranged to be paid later. His close aide Greg Kelly and the company itself have also been indicted. Both men deny the deferred pay agreements were illegal or required disclosure, while former alliance boss Ghosn has denied a separate breach of trust charge over personal investment losses he is suspected of temporarily transferring to Nissan in 2008.

Jean-Dominique Senard, who is soon to step down as CEO of tire-maker Michelin, is likely to replace Ghosn as Renault chairman, according to two sources.

The French state and its advisers are also considering candidates for the Renault CEO role currently occupied on an interim basis by Ghosn's deputy Thierry Bollere.

Bollere is among contenders for the permanent CEO appointment. Others under consideration include senior Toyota executive Didier Leroy, Elixir boss Philippe Guillemot and one other potential candidate, a source involved in the discussions said.

"Philippe Guillemot denies being a candidate for Ghosn's succession," said a spokesman for food-services group Elixir. "It's possible that people considered him, but no more than that."

Senard could alternatively be appointed chairman and CEO, taking over both of Ghosn's current roles, the source said. "All these options are on the table."

Leroy declined to comment, and attempts to reach Senard at Michelin were unsuccessful.

Headhunting firms Korn Ferry and Emeric Lepoutre & Partners, which are involved in the executive search, could not be reached after hours.

French officials had said Ghosn should be kept in office unless it became clear he would remain "incapacitated" for much longer, also hinting that Tuesday's court decision would be an "important development."

Two senior French finance ministry officials were traveling to Tokyo on Tuesday for talks with Nissan stakeholders aimed at stabilizing the alliance with Renault, the Le Figaro daily reported.

Nissan CEO Hiroto Saikawa said in a Monday interview he expected Renault to back Nissan's ouster of Ghosn when its board of directors were finally given full access to the findings of its internal investigation.