

**Report of the Board of Directors  
Combined General Meeting  
of June 1<sup>st</sup>, 2022**

# 1. Explanatory notes to the ordinary resolutions

## 1.1. Approval of the financial statements and appropriation of income (first to third resolutions)

You are being asked to approve the parent company financial statements (first resolution) and consolidated financial statements (second resolution) for the fiscal year ended December 31, 2021, and the proposed appropriation of income for this fiscal year (third resolution).

The Company's parent company financial statements for the fiscal year ended December 31, 2021 show a profit of €212,551,343.51 (first resolution) and the consolidated financial statements for the same fiscal year show a loss (Group share) of €78.8 million (second resolution).

The current environment is uncertain and offers little visibility due to the continuing semiconductors shortage, coupled with the recent outbreak of war in Ukraine and the resumption of the pandemic in China. In this context, the group has taken measures to reinforce its financial flexibility during this crisis and, in addition to these measures, the Board of Directors is proposing to the shareholders that, exceptionally, no dividend will be paid this year in respect of the 2021 fiscal year. The Board of Directors is convinced that this exceptional suspension will protect the interests of all Faurecia's stakeholders and allow the group to return to profitable and sustainable growth as soon as possible once global automotive production volumes have recovered. You are therefore being asked to allocate the distributable profit to the "retained earnings" account (third resolution).

Finally, you are being asked to approve the total charges and expenses mentioned in paragraph 4 of Article 39 of the French General Tax Code, i.e., €183,952.87, which corresponds to the non deductible portion of the leases on passenger vehicles and the corresponding tax, which amounts to €52,426.57.

## 1.2. Related parties agreements (fourth resolution)

In view of the Statutory Auditors' report on related parties agreements, you are asked to note the absence of any new related parties agreements as referred to in Article L.225-38 of the French Code of commerce entered into during the fiscal year 2021.

## 1.3. Governance (fifth and sixth resolutions)

### 1.3.1. Ratification of cooptation (fifth resolution)

Following the resignation, on July 23, 2021, of Linda Hasenfratz, the Board of Directors, on the recommendation of the Governance, Nominations and Sustainability Committee, decided, at its meeting of February 18, 2022, to coopt Judith Curran as a Board member to replace Linda Hasenfratz, with immediate effect. This cooptation is made for the remaining term of the corporate office of his predecessor, i.e. until the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended on December 31, 2023. In accordance with applicable legal provisions, you are asked to ratify the cooptation of Judith Curran as Board member.

#### Judith Curran

Judith Curran, a US national, is currently Global Head of Automotive Strategy of ANSYS, a listed foreign company that develops and markets engineering simulation software for various industries. In particular, she is in charge of market planning and development of modeling work related to the latest automotive trends such as electrification, assisted driving and autonomous cars. She is an automotive industry expert and during her 30 years of experience at Ford, she has held several key positions including Director of Technology Strategy. Her long experience and expertise in the automotive industry strengthens the expertise of the Board of Directors in these areas as well as its diversity and independence.

She is considered independent within the meaning of the AFEP-MEDEF Code.

Judith Curran is expected to acquire 500 shares of the Company in accordance with the bylaws and the internal rules of the Board of Directors.

### 1.3.2. Appointment of a Board member (sixth resolution)

In the context of the acquisition of control over the company HELLA GmbH & Co. KGaA "HELLA", Faurecia has made a commitment to represent the family pool Hueck and Roepke within the Company's Board of Directors. In accordance with the acquisition documents, the family pool Hueck and Roepke will be

represented on the Board of Directors, demonstrating the family's strong commitment to the strategy and prospects of the new combined Group. Faurecia's commitment to support the representation of the family pool Hueck and Roepke will continue as long as it holds at least 5% of the Company's capital.

In this context, the Governance, Nominations and Sustainability Committee and the Board of Directors examined the application of Jürgen Behrend, former Chief Executive Officer of HELLA, submitted by the family pool Hueck and Roepke. After reviewing this application, the Board of Directors, on the proposal of the Governance, Nominations and Sustainability Committee, decided, in its meeting on December 10, 2021, to propose to the General Meeting of June 1<sup>st</sup>, 2022 the appointment of Jürgen Behrend as a non-independent Board member, for a period of four years. The presence of the largest shareholder in the combined Group means that the Board of Directors counts among its members, in addition to Robert Peugeot, who represents the Peugeot family, the representative of a family whose industrial history, more specifically in the automotive industry, is recognised.

#### *Information about Jürgen Behrend*

Jürgen Behrend, a German national, is the former Chief Executive Officer of HELLA. With 40 years of experience in the automotive sector and in the governance of a listed company, Jürgen Behrend will bring valuable expertise and strengthen the Board of Directors' skills in these areas.

For more information on the careers, experience and skills of the Board members whose cooptation or appointment is proposed, please refer to Sections 3.1.2.2. "Board members' expertise, positions and corporate offices at the date of this 2021 Universal Registration Document" and 3.1.2.5. "Diversity policy within the Board of Directors" and the convocation brochure for the General Meeting.

Consequently, at the end of General Meeting of June 1<sup>st</sup>, 2022 (if all draft resolutions are adopted), your Company's Board of Directors will be increased to 14 members, including two Board members representing employees. Excluding the Board members representing employees, the Board will include (i) 75% of independent Board members, illustrating the strong independence of the composition of the Board of Directors and (ii) 42% of women, which is higher than the applicable legal requirements.

#### **1.4. Approval of the compensation for corporate officers (seventh resolution)**

The shareholders are required, pursuant to Article L. 22-10-34-I of the French Code of commerce, to approve the information relating to the compensation of all corporate officers, namely the Chairman of the Board of Directors, the Chief Executive Officer and the Board members, referred to in Article L. 22-10-9-I of the French Code of commerce.

This information applies to the total compensation and all benefits paid or awarded to the corporate officers (including the compensation paid or awarded to the Board members), as well as other, more general, elements making it possible to assess the breakdown of the fixed and variable portions, the level of compensation for the executive and non-executive corporate officers in relation to the Company's performance, or the implementation of the compensation policy.

This information appears in Chapter 3 "Corporate Governance", Sections 3.3.1 "Compensation of executive and non-executive corporate officers for the 2020 and 2021 fiscal years" and 3.3.2 "Board members' compensation in respect of the 2020 and 2021 fiscal years" of the 2021 Universal Registration Document as well as in section 2 of the Corporate Governance and Remuneration of corporate officers section of the convocation brochure.

#### **1.5. Approval of the compensation paid during/awarded in respect of the previous fiscal year to the executive and non-executive corporate officers (ex-post vote) (eighth and ninth resolutions)**

In accordance with the provisions of Article L. 22-10-34-II of the French Code of commerce, you are being asked to approve the fixed, variable and exceptional components comprising the total compensation and all benefits paid during the past fiscal year or awarded in respect of this same fiscal year to the Chairman of the Board of Directors (eighth resolution) and to the Chief Executive Officer (ninth resolution).

##### *Ex-post vote on the compensation of the Chairman of the Board of Directors (eighth resolution)*

The elements of compensation awarded or paid in 2021 to Michel de Rosen comply with the 2021 compensation policy for the Chairman of the Board of Directors, approved by 99.98% of the votes cast at the General Meeting of May 31, 2021, under the fourteenth resolution, as implemented by the Board of Directors.

These components of compensation are described in Chapter 3 "Corporate Governance", Sections

3.3.1.1 "Compensation payable to the Chairman of the Board of Directors" and 3.3.1.4.1 "Summary of the components of the compensation paid to the Chairman of the Board of Directors during the 2021 period or granted for the same period" of the 2021 Universal Registration Document.

Ex-post vote on the compensation of the Chief Executive Officer (ninth resolution)

The elements of compensation awarded or paid in 2021 to Patrick Koller comply with the 2021 compensation policy for the Chief Executive Officer, which was approved by 77.05% of the votes cast at the General Meeting of May 31, 2021, under the fifteenth resolution, as implemented by the Board of Directors.

The 2021 fiscal year was affected by an economic context that remained highly tense in the automotive sector and more particularly for equipment manufacturers due to the semiconductors' shortage. This situation has deeply impacted volumes, with global automotive production in 2021 close to the historically low level of 2020, and the semiconductors' shortage has led to a disorganization of the entire production chain. The evolution of the compensation of the Chief Executive Officer in 2021, a significant portion of which is based on the Group's performance, reflects the gravity of these difficulties for the second year in a row.

Despite these circumstances, the Board of Directors again did not make any deviations or amendments to the compensation policy of the Chief Executive Officer for 2021.

The Chief Executive Officer's compensation in 2021 is described in Chapter 3 "Corporate Governance", Sections 3.3.1.2 "Compensation of the Chief Executive Officer" and 3.3.1.4.2 "Summary of the components of compensation paid to the Chief Executive Officer during the 2021 period or awarded for the same period" of the 2021 Universal Registration Document. The summary table is also provided in section 2 of the Corporate Governance and Remuneration of corporate officers section of the convocation brochure.

#### **1.6. Approval of the compensation policy for corporate officers (tenth to twelfth resolutions)**

In accordance with the provisions of Article L. 22-10-8-II of the French Code of commerce, you are asked to approve the compensation policies applicable to the Chairman of the Board of Directors (eleventh resolution), the Chief Executive Officer (twelfth resolution) and the Board members (tenth resolution).

The compensation policies for corporate officers are set out in Chapter 3 "Corporate governance", Section 3.3.4.1 "Compensation policy for corporate officers" of the 2021 Universal Registration Document.

In particular, please note that:

- The compensation policies for the Chairman of the Board of Directors and Board members remain stable compared to 2021.
- The compensation policy for the Chief Executive Officer is in line with the previous compensation policy approved in 2021 while ensuring that some adjustments are made following the transactions carried out in 2021 and in particular the transformative acquisition of HELLA. In this respect, the main changes made to the compensation policy for 2022 relate to the fixed annual compensation to reflect the new dimension of the Group, as well as the structure of the annual variable compensation to take into account the Group's new strategic priorities, particularly with regard to environment and debt reduction, as set out in section 3.3.4.1.3 "Compensation policy for the Chief Executive Officer" of the 2021 Universal Registration Document as well as in the summary table provided in section 2 of the Corporate Governance and Remuneration of corporate officers section of the convocation brochure.

#### **1.7. Share buy-back program (thirteenth resolution)**

You are asked to renew the authorization granted by the General Meeting of May 31, 2021 under its sixteenth resolution to the Board of Directors for the purpose of transacting in the Company's shares under the conditions described below.

Share buybacks in your Company would be carried out to:

- a) hedge stock option plans and/or free share allocation plans (or similar plans) to the benefit of employees and/or Group corporate officers (including Economic Interest Groups and related companies), as well as all allocations of shares as part of a group or company savings plan (or similar plan), under a profit-sharing plan and/or any other form of allocation of shares to the benefit of the Group employees and/or corporate officers (including Economic Interest Groups and related companies);

- b) hedge the commitments made by the Company under financial contracts or options with payment in cash granted to the Group's employees and/or corporate officers (including Economic Interest Groups and related companies);
- c) hedge securities giving access to the allocation of Company shares;
- d) retain the shares purchased and use these shares for exchange or payment at a later stage, as part of any possible merger, demerger, contribution and external growth transactions;
- e) cancel shares;
- f) support the secondary market or the liquidity of Faurecia shares, through an investment service provider under a liquidity contract in accordance with the practices permitted by the *Autorité des Marchés Financiers*.

This program will also be designed to allow the implementation of all market practices that may be accepted by the market authorities, and more generally, the completion of all other transactions in accordance with legislation or regulations that are or may become applicable. In such an event, the Company may inform its shareholders through a press release.

The shares may, in whole or in part, depending on the case, be acquired, sold, exchanged or transferred, in one or several installments, by all means, on all markets, including on multilateral trading facilities or through a systematic internalizer, or over the counter, including through the acquisition or disposal of blocks of shares (without limiting the part of the buy-back program that may be completed through this means), in all cases, either directly or indirectly, notably through an investment service provider. These means include the use of optional mechanisms or derivatives subject to the applicable regulations.

The ceilings for the number of shares or amounts would be as follows:

- the maximum number of shares that may be purchased may never exceed 10% of the total number of shares comprising the capital stock (i.e., 15,160,718 shares as of February 7, 2022);
- the maximum purchase price would be €110 per share (excluding acquisition costs) - price unchanged compared to the previous resolution;
- the theoretical maximum purchase amount of the program (excluding acquisition costs) would be €1,667,679,046.

These transactions may be carried out during the periods that the Board of Directors deems appropriate. However, during a public offer period, buybacks may only be carried out provided that they:

- enable the Company to meet commitments made prior to the opening of the offer period;
- are carried out to continue a share buy-back program already in progress;
- are not likely to cause the offer to fail; and
- only meet one of the objectives set out in points a) and b) above (delivery of shares to the beneficiaries of stock options, free shares, the Company's savings or profit-sharing plans; hedging the Company's commitments under financial contracts or options with cash settlement).

The authorization would be granted for a period of 18 months and end the authorization granted by the General Meeting of May 31, 2021, under the sixteenth resolution.

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## 2. Explanatory Notes to the extraordinary resolutions

### 2.1. Financial authorizations and delegations (fourteenth to nineteenth resolutions)

As in 2020 and 2021, you are being asked to renew the financial authorizations and delegations of authority that were granted to the Board of Directors by the General Meeting. These authorizations and delegations of authority, whether with or without preferential subscription rights, will enable your Company to enact financial transactions based on market conditions and quickly gather the resources needed to implement the Group's growth and consolidation strategy.

The capital increase carried out in January 2022 as consideration for the contribution of HELLA's shares from the Family Hueck et Roepke has partially consumed the overall ceiling for issues (with or without preferential subscription rights) and fully consumed the ceiling for issues without preferential subscription rights. The Board of Directors therefore proposes to your General Meeting to renew the delegations

relating to capital increases with and without preferential subscription rights for shareholders, which were approved by the Combined General Meeting of 31 May 2021.

It is thus proposed that the structure of financial authorizations and delegations remains unchanged, but that only the ceiling with respect to the delegation of authority to increase the share capital with preferential subscription rights be increased with a ceiling of 40% of the Company's share capital (which represents, for information purposes, a nominal amount of approximately EUR 424 million on the basis of the share capital as at 7 February 2022) in order to provide the Group with greater flexibility (in line with the recommendations of the voting agencies for this type of issue with shareholders' preferential subscription rights, and consistent with the practice of listed issuers of a size comparable to that of Faurecia. The ceiling for issues without preferential subscription rights would remain unchanged at 10% of the Company's capital.

#### **2.1.1. Delegation of authority to increase the capital stock with preferential subscription right (fourteenth resolution)**

The transaction carried out under this resolution would be reserved for Company shareholders only.

The securities that may be issued would be shares and/or securities giving access to shares of the Company and/or a Subsidiary.

In accordance with the law, the shareholders would be eligible for negotiable preferential subscription rights. Subscriptions would be carried out on an irreducible basis and, if the Board of Directors would decide, on a reducible basis. If the aggregate amount of subscriptions on an irreducible basis, and as the case may be on a reducible basis, would not absorb all of an issue, the Board of Directors may use, in the order it would determine, all or some of the abilities provided for by law.

The subscription price of the shares and/or securities issued pursuant to this delegation of authority would be set by the Board of Directors in accordance with applicable laws and regulations.

The capital and debt ceilings for this delegation of authority would be as follows:

- capital ceiling (in nominal) : 40% of the Company's capital (representing approximately a nominal amount of €424 million on the basis of the share capital as of February 7, 2022). This is a total ceiling for all capital increases (issuances under the fourteenth, fifteenth, sixteenth and eighteenth resolutions) (excluding performance shares and capital increases reserved for employees shareholding plans);
- debt ceiling: €1 billion. This is a total ceiling for all the issues of debt securities (issuances under the fourteenth, fifteenth, sixteenth and eighteenth resolutions), excluding issuances reserved for employees shareholding plans.

The Board of Directors would have full powers for the purpose of implementing the delegation of authority.

Unless prior authorization has been granted by the General Meeting, the Board of Directors may not use this delegation upon the filing of a tender offer for the Company's shares by a third party, up until the end of the offer.

This delegation of authority, which would be granted for a period of 26 months, would invalidate (for the unused portion relating to issues of shares and/or securities giving access, immediately or in the future, to the capital of the Company and/or a Subsidiary, with preferential subscription rights as at the date of the General Meeting) the delegation of authority granted by the General Meeting of May 31, 2021, under its seventeenth resolution.

#### **2.1.2. Delegations of authority for the purpose of increasing the capital stock without preferential subscription rights, by way of (i) public offerings (fifteenth resolution), and (ii) private placements (sixteenth resolution)**

Transactions carried out pursuant to these resolutions would be open to the public and/or through private placement with removal of preferential subscription rights.

The securities that may be issued would be shares and/or securities giving access to shares of the Company and/or a Subsidiary.

The issuances may be carried out (i) by way of public offerings (with the exception of issuances referred to in (ii) below) with, the option for the Board of Directors to institute a non-negotiable right of priority for shareholders (fifteenth resolution), or (ii) by way of offerings solely for a limited group of investors acting on their own behalf or for qualified investors (sixteenth resolution). Please note that if the subscriptions

would not absorb all of an issuance, the Board of Directors may use, in the order it would determine, the faculties offered by the law.

Please also note that the delegation of authority that allows for the issue of securities by way of a public offering (fifteenth resolution) may also be used for the purpose of paying compensation for contributions of securities as part of a public exchange offer in accordance with Article L. 22-10-54 of the French Code of commerce.

The issuance price of shares would be at least equal to the weighted average price of the Company's shares on Euronext Paris during the three trading days immediately preceding the beginning of the offering, with a potential discount of up to 10%. The issue price of securities giving access to shares will be the same as the sum collected immediately by the Company, plus, where applicable, the sum it may subsequently collect, that is, for each share issued as a result of the issuance of these securities, at least equal to the minimum subscription price of the issued shares as identified above.

The capital and debt ceilings for this delegation of authority would be as follows:

- capital ceiling (in nominal): 10% of the Company's capital (representing approximately a nominal amount of €106 million on the basis of the share capital as at February 7, 2022). This is a total ceiling shared by the fifteenth, sixteenth and eighteenth resolutions (contributions in kind), it being specified that this amount is deducted from the total ceiling of 40% of the Company's capital;
- debt ceiling: €1 billion for each of the fifteenth and seventeenth resolutions, it being understood that this amount is deducted from the total ceiling of €1 billion.

The Board of Directors would have full powers for the purpose of implementing the delegations.

Unless prior authorization has been granted by the General Meeting, the Board of Directors may not use the delegations upon the filing of a tender offer for the Company's shares by a third party, up until the end of the offer.

These delegations of authority, which would be granted for a period of 26 months, would invalidate the delegations granted by the General Meeting of May 31, 2021, under the eighteenth and nineteenth resolutions.

#### **2.1.3. Authorization for the purpose of increasing the amount of the initial issues provided for by the fourteenth, fifteenth and sixteenth resolutions (seventeenth resolution)**

This authorization would allow the Company, during a 30-day period starting from the end of the subscription period, to increase the number of shares to be issued in the event of issues carried out (i) with preferential subscription rights (fourteenth resolution), (ii) with removal of preferential subscription rights by way of public offerings (fifteenth resolution), and (iii) with removal of preferential subscription rights by way of an offering solely for a limited group of investors acting on their own behalf or for qualified investors (sixteenth resolution).

The subscription price of shares or securities issued would be the same as the initial issue price decided pursuant to the fourteenth, fifteenth and sixteenth resolutions described above.

Transactions executed as part of this authorization may not exceed the legal limit (currently 15% of the initial issue) and will be deducted from the amount of the ceiling or the ceilings stipulated in the resolution under which the initial issuance is decided.

The Board of Directors may not use this authorization, without the prior authorization of the General Meeting, in the event of a tender offer filed by a third party, until the end of such offer.

This authorization, which would be granted for a period of 26 months, would invalidate the authorization granted by the General Meeting of May 31, 2021, under the twentieth resolution.

#### **2.1.4. Delegation for the purpose of increasing the capital stock, without preferential subscription rights, in the event of in-kind contributions to the company (eighteenth resolution)**

The transactions carried out under this resolution would not be open to the shareholders or the public, but only to contributors of securities to the Company. They will be executed without preferential subscription rights.

The securities that may be issued would be shares and/or securities giving access to shares of the Company.

The purpose of such transactions would be to use issues of shares or securities giving access to shares to pay compensation for in-kind contributions of shares and securities giving access to the share capital of the Company.

The capital and debt ceilings for this delegation would be as follows:

- capital ceiling (in nominal): 10% of the Company's capital (representing approximately a nominal amount of €106 million on the basis of the share capital as at February 7, 2022). This is a total ceiling shared by this resolution and the two resolutions without preferential subscription rights (fifteenth and sixteenth resolutions), it being specified that this amount will be deducted from the total ceiling of 40% of the Company's capital;
- debt ceiling: €1 billion, it being understood that this amount is deducted from the total ceiling of €1 billion.

The Board of Directors would have full powers for the purpose of implementing the delegation.

Unless prior authorization has been granted by the General Meeting, the Board of Directors may not use this delegation upon the filing of a tender offer for the Company's shares by a third party, up until the end of the offer.

This delegation, which would be granted for a period of 26 months, would invalidate the delegation granted by the General Meeting of May 31, 2021, under the twenty-first resolution.

#### **2.1.5. Delegation for the purpose of increasing the share capital by capitalization of reserves, profits, premiums or other amounts (nineteenth resolution)**

This delegation of authority may be used to increase the capital through the capitalization of premiums, reserves, profits or other, either by awarding free shares, by raising the par value of existing shares, or by combining these two processes.

It is specified that the rights forming fractional shares will not be negotiable or transferable and that the corresponding shares will be sold, the proceeds of the sale being allocated to the holders of the rights within a period of time set by the regulations.

The maximum nominal amount of the capital increases which may result of the use of this delegation is set at 175 million euros, it being specified that this ceiling is autonomous, distinct and independent of the ceilings set in the other resolutions submitted to this General Meeting and that this ceiling is set without taking into account the adjustments required to preserve, in accordance with law and, where applicable, with contractual provisions, the rights of holders of rights or securities giving access to the Company's capital.

The Board of Directors would have full powers for the purpose of implementing the delegation.

Unless prior authorization has been granted by the General Meeting, the Board of Directors may not use this delegation upon the filing of a tender offer for the Company's shares by a third party, up until the end of the offer.

This delegation of authority, which would be granted for a period of 26 months, would invalidate (for the unused portion relating to capital increases by incorporation of reserves, profits, premiums or other sums whose capitalisation would be permitted on the date of the general meeting) the delegation of authority granted by the General Meeting of May 31, 2021 under its seventeenth resolution.

#### **2.2. Employee and corporate officer share ownership: authorization to grant performance shares, entailing waiver by shareholders of their preferential subscription right (twentieth resolution)**

The purpose of this authorization is to enable your Board of Directors to grant performance shares, free of charge, to the Group's employees and corporate officers under the terms of Articles L. 225-197-1 et seq. and L. 22-10-59 and L. 22-10-60 of the French Code of commerce. Shares granted under this resolution may be existing or future shares.

##### Use of the available balance of the authorization of June 26, 2020 in respect of the single ESPI Plan

The General Meeting of June 26, 2020, under its twenty-third resolution, authorized your Board of Directors to grant a maximum of 2,000,000 performance shares, the total number of shares awarded to corporate officers not exceeding 10% of this amount. The Board of Directors used this authorization in fiscal year 2021 for the granting of performance shares under the single long-term variable compensation scheme intended to support the retention of the Management team (Executive Super Performance Initiative):



based on the decision of July 23, 2021, it granted a maximum of 615,370 shares, including a maximum of 71,941 shares to the Chief Executive Officer.

#### Use of the of the authorization of May 31, 2021

The General Meeting of May 31, 2021, under its twenty-second resolution, authorized the Board of Directors to grant a maximum of 2,000,000 performance shares, the total number of shares awarded to corporate officers not exceeding 10% of this amount. The Board of Directors used this authorization in fiscal year 2021: based on the decision of October 25, 2021, it granted a maximum of 1,389,000 performance shares, of which a maximum of 96,150 shares to the Chief Executive Officer, it being specified that if the target objectives are met, the number of shares to be delivered to the Chief Executive Officer will be 73,960.

#### Number of performance share plans

Generally speaking, and not including two plans which were both granted in 2021, a performance share plan has been granted by your Board of Directors every year. To date, 14 plans have been granted on the basis of authorizations given by the General Meeting.

#### Review of previous plans – achievement of performance conditions

The performance condition(s) attached to plans No. 1, No. 5 and No. 6 were achieved to their maximum level, and the shares were vested by their beneficiaries:

- for plan No. 1, in June 2012 (for French tax residents) and June 2014 (for foreign tax resident beneficiaries);
- for plan No. 5, in July 2017;
- for plan No. 6, in July 2018.

For the plans below, the conditions were not all fully met:

- plan no. 7: overall achievement rate of 116.5% (107.5% for the internal condition linked to net income (loss) after tax and 130% for the external condition linked to the weighted growth of earnings per share, which is, for information, the maximum achievable). The shares were delivered to their beneficiaries in July 2019;
- plan no. 8: overall rate of achievement of 108% (93% for the internal condition linked to net income (loss) after tax and 130% for the external condition linked to the weighted growth of earnings per share, which is, for information, the maximum achievable). The shares were delivered to their beneficiaries in July 2020;
- plan no. 9: overall rate of achievement of 89% (62% for the internal condition linked to net income (loss) after tax and 130% for the external condition linked to the weighted growth of the earnings per share, which constitutes, for information, the maximum achievable). The shares were delivered to their beneficiaries in July 2021;
- plan no. 11: overall rate of achievement of 11.5% (0% for the internal condition linked to net income (loss) after tax, 115% for the internal condition linked to gender diversity within the Group's "Managers and Professionals" category (executive population) and 0% for the external condition linked to the weighted growth of the earnings per share). The shares will be delivered to their beneficiaries in July 2023.

However, as the performance conditions for plans No. 2, No. 3 and No. 4 were not fulfilled, no shares were vested to the beneficiaries in respect of these plans. The same applies to plan no. 10, granted in 2018 with an assessment of the performance at December 31, 2020, where none of the conditions were achieved given the impact of Covid-19 on the industry, and more particularly on the automotive sector and the Group. Consequently, at the end of the vesting period of plan no. 10, no performance shares will be vested and delivered to the beneficiaries under this plan.

The rate of achievement of the performance conditions of plans no. 12, ESPI and no. 13, respectively granted in 2020 and in 2021, are not yet known.

Detailed information on the performance share plans expired or in force during the fiscal year 2021 is shown in the 2021 Universal Registration Document in Section 5.2.2 "Potential capital stock".

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<sup>1</sup> Plans No. 1 to No. 8, which have expired, have not been included in the 2021 Universal Registration Document. For more information on these plans (including performance conditions, objectives set and achievements of these

### New authorization

Under the terms of the new authorization which is submitted to your vote, the total number of free shares thus granted may not exceed, 1.98% of the share capital, i.e. 3,000,000 shares<sup>1</sup>. It is specified, as necessary, that the rights to shares that would lapse due to non-compliance with the conditions pursuant to the performance share plan in question may be regranted, provided that the number of shares vested does not exceed the aforementioned ceiling of 3,000,000 shares. This ceiling has been slightly increased to take into account Faurecia's current share price and the potential need to integrate beneficiaries from HELLA.

The total number of shares that may be granted for free to executive and non-executive corporate officers may not exceed 10% of the aforementioned amount.

Shares granted to beneficiaries would vest following a vesting period whose length would be set by the Board of Directors, which may not be shorter than three years. The General Meeting would authorize the Board of Directors to decide whether or not to provide for a lock-up period at the end of the vesting period.

By decision of the Board of Directors, the vesting of the shares would be subject to the following performance conditions:

- an internal condition related to the Group net income before or after tax before taking into account any exceptional events. This internal condition is assessed by comparing the net income (loss) of the third fiscal year after the grant date of the performance shares to that forecast for the same fiscal year in the strategic plan reviewed and approved by the Board of Directors;
- an internal condition related to gender diversity within the Group's "Managers and Professionals" category. This internal condition is assessed by comparing the effective percentage of women in the Managers and Professionals category in the third fiscal year after the grant date of the performance shares to the target percentage set by the Board of Directors;
- an external condition related to the growth of your Company's net earnings per share assessed between the last fiscal year before the grant date of the shares and the third fiscal year ended after the grant date of the shares. This condition is assessed against the weighted growth of a reference group made up of twelve comparable international automotive suppliers over the same period.

For each performance condition referred to here above:

- a minimum, a target and a maximum quantitative objective are set. The method for calculating the difference between these different target thresholds is communicated in the Universal Registration Document for each plan.
- the attribution would amount to:
  - 50% of the number of shares expressed at target provided the minimum objective threshold of the performance condition is reached,
  - 100% of the number of shares expressed at target provided the target objective threshold of the performance condition is reached, and
  - 130% of the number of shares expressed at target provided the maximum objective threshold of the performance condition is reached.

Between these thresholds, the progression is linear.

Alternatively, or in addition to the conditions listed above, the Board of Directors may set performance conditions assessed in relation to one or more specific criteria for the achievement of objectives, of a quantifiable and/or qualitative nature.

The Board of Directors would have full powers for the purpose of implementing the authorization.

This authorization, which would be granted for a period of 26 months, would supersede the authorization granted by the General Meeting of May 31, 2021 pursuant to its twenty-second resolution.

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objectives), please refer to the 2018 Registration Document of the Company, page 209, to the 2019 Universal Registration Document, page 330, and to the 2020 Universal Registration Document, page 378.

<sup>1</sup> It is reminded that, according to the provisions of the law, the total number of shares attributed cannot exceed 10% of the share capital as of the date of the attribution decision.

**2.3. Employee shareholding: delegations of authority to issue shares and/or securities giving access to the share capital/increasing the share capital, without preferential subscription rights (i) for the benefit of the members of a company or a group savings plan and (ii) reserved for a category of beneficiaries (twenty-first and twenty-second resolutions)**

Implementation in 2021 of the first employee shareholding plan (Faur'ESO)

In 2021 the Company has launched its first employee shareholding operation. As a reminder, the Company wished to implement a non-dilutive employee shareholding plan following the distribution of the Faurecia shares held by Stellantis. This plan, called "Faur'ESO" (Faurecia Employee Share Ownership), aimed to strengthen the existing bond with employees by involving them closely in the Group's development and performance. This first transaction involved a maximum of 2% of the Company's share capital and has been a great success, with over 22% of employees in the 15 eligible countries having expressed their desire to invest in the plan.

This transaction, which has been completed through a capital increase, implementing the twenty-fourth resolution of the General Meeting of June 26, 2020 on capital increases reserved for employees. It should be noted, as necessary, that in order to neutralize the dilutive effect of Faur'ESO, the share buyback program authorized by the Board of Directors has been used, and the shares bought back have been canceled.

As at December 31, 2021, the employee shareholding of the Company represented 3,765,155 shares, i.e. 2.73% of the share capital.

Given the structure of the Faur'ESO offer, the resolution of the General Meeting of June 26, 2020 which has been used as part of this employee shareholding plan has not allowed the offer to be rolled out in all countries under identical conditions. Hence, in order to offer similar economic profiles to the beneficiaries concerned, the shareholders have been asked to grant the Board of Directors a delegation of authority to increase the share capital, without preferential subscription rights, to a category of beneficiaries (twenty-fourth resolution of the General Meeting of May 31, 2021).

Delegation of authority to increase the share capital, with removal of preferential subscription rights in favor of a category of beneficiaries (twenty-second resolution)

You are being asked to renew the delegation of authority granted by the General Meeting of May 31, 2021 under its twenty-fourth resolution to the Board of Directors for the purpose of increase the share capital, with removal of preferential subscription rights in favor of a category of beneficiaries category of beneficiaries under the conditions described below:

The maximum nominal amount of the capital increases completed under this resolution would be 0.6%, it being specified that this amount would be deducted from the ceiling provided for in the twenty-first resolution submitted to the General Meeting of June 1<sup>st</sup>, 2022, i.e. 2% of the capital (or any resolution that may be substituted for it at a later date).

The price would be equal to an average of the share prices listed during the 20 trading days preceding the date of the decision setting the opening date of the subscription, less a discount not exceeding 30% or alternatively at the price set by the Board of Directors or the Chief Executive Officer upon sub-delegation in the context of a concurrent transaction completed under the twenty-first resolution submitted to the General Meeting of June 1<sup>st</sup>, 2022, (or any resolution that may subsequently be substituted for it).

The Board of Directors would have full powers for the purpose of implementing the delegation.

This delegation, which would be granted for a period of 18 months, would invalidate the authorization granted by the General Meeting of May 31, 2021, under its twenty-fourth resolution.

Delegation of authority to issue shares and/or securities giving access to the share capital, without preferential subscription rights, for members of a company or a group savings plan (twenty-first resolution)

In addition, insofar as a capital increase reserved for employees should be proposed to the shareholders each time a delegation to increase the share capital is requested from the shareholders, it is proposed to grant the Board of Directors a delegation of authority to issue shares and/or securities giving access to the share capital, without preferential subscription rights, for the benefit of the members of a Company or a group savings plan.

The price of the shares or securities giving access to the capital that may be issued under the delegation may not be more than 30% lower (or 40% lower when the lock-up period in the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labor Code is greater than or equal to 10 years) than the average

of the listed share price during the 20 trading sessions prior to the date of the decision setting the opening date of the subscription, nor higher than this average.

The maximum nominal amount of capital increases that may result from the use of the delegation is set at 2% of the of the capital as of the date of the General Meeting, it being specified that this ceiling constitutes the overall ceiling for issues carried out under the twenty-first and twenty-second resolutions and to this ceiling shall be added, where applicable, the nominal amount of capital increase necessary to preserve the rights of holders of rights or securities giving access to the Company's capital.

The Board of Directors may also decide to grant new or existing shares or other securities giving access to new or existing shares of the Company in respect of (i) matching contributions made pursuant to the regulations of Company or Group savings plans, and/or (ii) the discount, where applicable.

The Board of Directors would have full powers for the purpose of implementing the delegation.

This delegation, which would be granted for a period of 26 months, would invalidate the authorization granted by the General Meeting of May 31, 2021, under its twenty-third resolution.

**2.4. Cancellation of treasury shares (twenty-third resolution)**

This resolution would authorize the Board of Directors to reduce the capital stock through the cancellation of all or part of the shares that your Company holds or may acquire as part of authorized share buy-back programs up to a maximum limit of 10% of the capital stock. It is stipulated that the difference between the carrying amount of the cancelled shares and their par value may be deducted from all available reserve items and premiums, including the statutory reserve, up to a limit of 10% of the capital reduction carried out.

This authorization, which would be granted for a period of 26 months, would invalidate the authorization granted by the General Meeting of May 31, 2021, under its twenty-fifth resolution.

**2.5. Amendment of Article 15 of the bylaws relating the powers of the Board of directors (twenty-fourth resolution)**

It is proposed to the shareholders to bring the bylaws into conformity with the applicable legal provisions and to amend accordingly, as provided in the table below, paragraph 4 of Article 15 of the bylaws relating to the powers of the Board of Directors, in order to take into account the relaxation under Act no. 2019-744 of July 19, 2019 of the conditions for the granting of guarantees, endorsements and sureties by a parent company to one of its controlled subsidiaries, with the remainder of the Article remaining unchanged:

Old draft	New draft
<b>Article 15 Powers of the Board</b>	<b>Article 15 Powers of the Board</b>
<p>(...)</p> <p><i>"The board of directors may, within the limit of a total amount that it determines, authorize the CEO to issue guarantees, endorsements or sureties on behalf of the Company."</i></p>	<p>(...)</p> <p><b><u>"The Board of Directors authorizes the issuance of guarantees, endorsements or sureties by the Company, under the conditions set forth by applicable laws."</u></b></p>

It is stipulated, as required, that the underlining and highlighting in the text of the table above has the sole purpose of facilitating the identification of amendments and does not come from the old draft of the bylaws and/or will not be entered into the new draft of the bylaws.

**3. Explanatory notes to the ordinary resolutions**

**3.1. Powers (twenty-fifth resolution)**

To conclude, the twenty-fifth resolution concerns the powers to be given to complete formalities relating to the General Meeting, particularly filing and publicity formalities.

## **4. Information relating to ongoing business since the beginning of fiscal year 2022**

Information relating to the 2021 fiscal year, to the events that have occurred since the beginning of the fiscal year 2022 and to the Group's outlook are available in the 2021 Universal Registration Document of the Company accessible on the Company's website ([www.faurecia.com](http://www.faurecia.com)) and the *Autorité des Marchés Financiers*' website ([www.amf-france.org](http://www.amf-france.org)).

The press release relating to the first quarter of 2022 sales, available on the Company's website ([www.faurecia.com](http://www.faurecia.com)), completes this information.